

NZX Limited  
NZAX Listing Rules

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## Contents

<b>Section 1: Interpretation, Rulings and Waivers</b>	<b>5</b>
1.1 NZX	5
1.2 Status of Rules	5
1.3 Amendment of Rules	5
1.4 Procedures	6
1.5 Effect of Amendment	6
1.6 Interpretation	7
1.7 Associated Persons	21
1.8 Disputed Interpretation	22
1.9 Rulings	23
1.10 Waiver	24
1.11 Interpretation Policy	25
1.12 Condition in Contract	25
1.13 Governing Law and Jurisdiction	26
<b>Section 2: Compliance and Enforcement</b>	<b>27</b>
2.1 Contracts Privity Act to Apply	27
2.2 Compliance by Subsidiaries, Officers and Associates	27
2.3 Issuer Surveillance	28
2.4 NZ Markets Disciplinary Tribunal	30
2.5 Liability and Indemnity	30
2.6 Costs	31
<b>Section 3: Constitutions and Directors</b>	<b>32</b>
3.1 Content of Constitution	32
3.2 Appointment and Rotation of Directors	32
3.3 Proceedings and Powers of Directors	35
3.4 Directors Remuneration	35
<b>Section 4: Takeovers Provisions for Issuers which are not Code Companies</b>	<b>38</b>
4.1 Interpretation	38
4.2 Restricted and Defensive Measures	43
4.3 Constitutional Provisions	44

4.4	Adoption and Modification Provisions	45
4.5	Notice and Pause Provisions	46
4.6	Minority Veto Provisions	51
4.7	Enforcement Provisions	52
4.8	Compulsory Acquisition Provisions	54
4.9	Holding By Bare Trustee	57
<b>Section 5: Listing</b>		<b>59</b>
5.1	Application	59
5.2	Quotation of Securities	63
5.3	Discretion of NZX as to Listing and Quotation	64
5.4	Trading Halts, Suspension, Cancellation and Other Powers	65
5.5	General Obligations of NZAX Issuers While Listed	69
<b>Section 6: Approval of Documents by NZX</b>		<b>70</b>
6.1	Approval	70
6.2	Notices of Meeting	71
6.3	Other Notices	73
<b>Section 7: Issues and Buy Backs of Equity Securities</b>		<b>74</b>
7.1	Listing Documentation	74
7.2	Subsequent Public Offers	76
7.3	Issues of New Equity Securities	77
7.4	Entitlements to Third Party Securities	85
7.5	Issues and Buybacks of Securities Affecting Control	85
7.6	Buybacks of Equity Securities, Redemption of Equity Securities, and Financial Assistance	86
7.7	Vendor Securities	91
7.8	Security Agreements	91
7.9	Rights Issues-Additional Requirements	92
7.10	Allotment	93
7.11	Announcements	93
7.12	Early and Late Subscription Closure	96
7.13	Notification of Level of Subscription	97

<b>Section 8: Voting Rights and Rights of Equity Securities</b>	<b>98</b>
8.1 Voting	98
8.2 Lien and Forfeiture	101
8.3 Modification of Rights of Security Holders	102
8.4 Cancellation of Unpaid Amounts	103
8.5 Sale of Minimum Holdings	103
<b>Section 9: Transactions with Related Parties and Major Transactions</b>	<b>104</b>
9.1 Disposal or Acquisition of Assets	104
9.2 Transactions with Related Parties	105
9.3 Voting Restrictions	110
<b>Section 10: Disclosure Information</b>	<b>112</b>
10.1 Continuous Disclosure-Material Information	112
10.2 Pre Break Disclosure	116
10.3 Form and Disclosure of Communication	118
10.4 Preliminary Announcements	121
10.5 Annual and Half Yearly Reports	122
10.6 Financial Statements	125
10.7 Other Information to be Notified to NZX	125
10.8 Disclosure of Relevant Interest in Securities	126
10.9 Announcements by Mining NZAX issuers	126
10.10 HydroCarbon Reports	127
10.11 Ore and Mineralisation Reports	130
<b>Section 11: Transfers and Statements</b>	<b>132</b>
11.1 Transfer of Securities	132
11.2 Statements	133
11.3 Registration	134
11.4 Legal Title Transfer	135

## NZAX Listing Rules

### Section 1: Interpretation, Rulings and Waivers

1

#### 1.1 NZX

1.1.1 NZX Limited (“NZX”) is a Registered Exchange under section 36F of the Securities Markets Act 1988 and is the operator of its markets.

#### 1.2 Status of Rules

1.2.1 These NZAX Listing Rules (“Rules”) form part of the NZX Conduct Rules, enacted pursuant to Section 36G of the Securities Markets Act 1988, these Rules are not regulations for any purpose.

1.2.2 These Rules and any Procedures made in accordance with Rule 1.4, constitute a contract between NZX and each Issuer for the benefit of every person who is or was a holder of Quoted Securities of that Issuer in the period in which the Issuer is or was Listed, and the Contracts (Privity) Act 1982 shall apply accordingly.

1.2.3 Any agreement entered into between Issuers required pursuant to these Rules and Procedures constitute a binding contract between the Issuer and is enforceable by NZX.

#### 1.3 Amendment of Rules

1.3.1 NZX may from time to time amend these Rules, in accordance with the relevant Procedure. Amendments to these Rules will become binding on Issuers upon the later of:

- (a) 20 Business Days after Issuers have been given notice of the amendments;
- (b) the date the amendments have effect in accordance with section 36I of the Securities Markets Act 1988;
- (c) The time (if any) specified in the Notice to Issuers.

1.3.2 Accidental omission to give notice to an Issuer or non-receipt of a notice given to an Issuer shall not invalidate the notice in relation to that Issuer or any other person.

1. NZX may circulate proposed amendments (other than those relating to forms and fees) in draft form to all Issuers for comment. NZX will publish a notice of amendments.
2. The attention of an Issuer is drawn to Rule 1.8.1, dealing with changes to Constitutions or Trust Deeds made necessary by a change to the Listing Rules.

## **1.4 Procedures**

- 1.4.1 NZX may from time to time approve written Procedures relating to the operation of the Rules. Procedures may not be inconsistent with the Rules and, in the event of inconsistency between any Rule and any Procedure, the Rules will prevail;
- 1.4.2 The Procedures do not form part of the Rules. However, if a Rule requires compliance with any part of the Procedures, failure to comply with that part of the Procedures is a contravention of the Rule.

## **1.5 Effect of Amendment**

- 1.5.1 Unless expressly stated otherwise, where a Rule or Procedure is amended, deleted, or lapses or otherwise ceases to have effect, that circumstance do not:
- (a) revive anything not in force or existing at the time at which notification is given to Issuers;
  - (b) affect the previous operations of that Rule or Procedure or anything done under that Rule or Procedure;
  - (c) affect any right, privilege, obligation or liability acquired, accrued or incurred under that Rule or Procedure;
  - (d) affect any penalty, forfeiture, suspension, expulsion or disciplinary action taken or incurred in respect of any contravention of that Rule or Procedure; or
  - (e) affect any investigation, disciplinary proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, suspension, expulsion or disciplinary action,
- and any such investigation, disciplinary proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture, suspension, expulsion or disciplinary action may be imposed as if the circumstance had not taken effect.
- 1.5.2 Whenever a change is made to the Rules which requires a change to be made to any Constitution, each Issuer affected shall, at the first reasonable opportunity, cause its Constitution to be changed. In the case of changes to those Issuer Listing Rules which must be contained in, or incorporated by reference into, a Constitution an Issuer that has those provisions contained in a Constitution shall, at the first reasonable opportunity, cause its Constitution to be amended and, in the case of an Issuer that incorporates by reference those Rules required to be contained in its Constitution, such amended rules shall be deemed to be incorporated into that Issuer's Constitution by reference on the date specified in the notice given pursuant to Rule 1.3.1.

1. NZX will generally regard the first annual meeting of the Issuer held six months or more after a change in the Rules as the first reasonable opportunity for a change in the Constitution where the Rules are not incorporated by reference into that Issuer's Constitution.
2. Where an Issuer incorporates by reference those Rules required to be contained in its Constitution, NZX will generally provide one month after the expiry of the notice given under Rule 1.3) before amended Rules shall be deemed to be incorporated into that Issuer's Constitution.

1.5.3 Any transactions to which these Rules apply, and which commenced prior to any amendments coming into force, may proceed pursuant to the previously applicable Rules, provided that a waiver from any amended Rules applicable to such a transaction has been granted by NZX on or before the expiry of 3 months from their coming into force.

1.5.4 Any waiver granted by NZX pursuant to Rule 1.10 of the Rules in force prior to commencement of these Rules shall be deemed to be a waiver given pursuant to Rule 1.10.1 and shall (subject to the power of NZX pursuant to Rule 1.10.2) continue in force notwithstanding the introduction of these Rules.

## 1.6 Interpretation

1.6.1 In these Rules the following terms bear the following meanings:

<b>Advertisement</b>	has the meaning given in the Securities Act 1978 and includes a statement or report made in accordance with either of sections 5(2CA) or 3(7) of that Act.
<b>Advisor</b>	has the meaning set out in the NZX Participant Rules.
<b>Associated Person</b>	has the meaning given in Rule 1.7.
<b>ASX</b>	means ASX Limited and includes its successors.
<b>Authorisation Code or FIN</b>	means an alphanumeric identifier issued by NZX, an Issuer or an Issuer's registry, to a security holder that provides authority to access the shareholder's account at the Issuer's registry.
<b>Average Market Capitalisation</b>	means, in relation to any transaction, the volume weighted average market capitalisation of an Issuer's Equity Securities carrying Votes calculated from trades on the NZSX over the 20 Business Days before the earlier of the day the transaction is entered into or is announced to the market.

<b>Bank</b>	means a registered bank in terms of the Reserve Bank of New Zealand Act 1989, a bank having recognition comparable to that of a registered bank under the law of Australia, the United States of America, Japan or the United Kingdom, or any other financial institution approved by NZX.
<b>Board</b>	means the board of Directors of an Issuer.
<b>Business Day</b>	means a time between 8.30 a.m and 5.30 p.m on a day on which NZX is open for trading.
<b>CDO</b>	means New Zealand Depository Limited.
<b>CHO</b>	means New Zealand Clearing Limited.
<b>Class</b>	means a class of Securities having identical rights, privileges, limitations and conditions, and includes or excludes Securities which NZX in its discretion deems to be of or not of that Class.
<b>Code Company</b>	means an Issuer which is a code company as defined in the Takeovers Code.
<b>Common Shareholder Number or CSN</b>	has the meaning given in the NZX Participant Rules.
<b>Constitution</b>	means, in relation to an Issuer, its constitution, or other constituent documents comprising its constitution.
<b>Convert</b>	in respect of a Security, means to convert that Security into, or exchange that Security for, a Security of a different sort, whether at the option of the holder, or of the Issuer, or otherwise, or to subscribe for or obtain a Security of a different sort pursuant to a right conferred by the first mentioned Security. "Conversion" and "Convertible" have corresponding meanings.
<b>Depository Rules</b>	means CDO's Depository Operating Rules.
<b>Depository System</b>	has the meaning set out in the Depository Rules.
<b>Director</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to a company as defined in the Companies Act 1993, any person occupying the position of director of the</li> </ul>



company, by whatever name called;

- (b) in relation to any other entity, any person occupying a position in that entity that is comparable with that of a director of a company as defined in (a).

**Disclosure Document**

means the document that shall be prepared by an applicant for Listing on the NZAX, where the applicant is not required by law to prepare an Offering Document. The Disclosure Document shall comprise all matters set out in Appendix 3.

**Dual Listed Issuer**

means an Issuer incorporated in Australia which is admitted and not removed from the ASX's Official List and which is also listed on the NZX, otherwise than as an Overseas Listed Issuer and in respect of which both NZX and ASX are Home Exchanges.

**Equity Security**

means a Security:

- (a) which confers a present or future right to participate in the assets of an Issuer after payment of claims payable under section 313(1) of the Companies Act 1993 or, in the case of an Issuer that is not a company, after paying preferential or other creditors; or
- (b) which confers a present or future right to participate in the income or profits of an Issuer; or
- (c) which carries, or will in future carry, a Vote, or a right to participate in the ultimate control of an Issuer; or
- (d) which under its terms of issue may be Converted into a Security of the nature referred to in (a) to (c) without:
  - (i) the agreement of the holder; or
  - (ii) approval of the precise terms and conditions of issue of the Security of the nature referred to in (a) to (c) on Conversion in the manner set out in Rule 7.3.1,

and includes any other Security which NZX in its sole discretion declares by a Ruling to be an Equity Security but does not include any Security that NZX in its sole discretion declares by a Ruling not to be an Equity Security.

1. A Convertible Security may be both a Debt Security and an Equity Security for the purposes of the Rules. However NZX will generally determine, before or after Quotation, that where:

1. A Convertible Security may be both a Debt Security and an Equity Security for the purposes of the Rules. However NZX will generally determine, before or after Quotation, that where:

- (a) a Convertible Security (such as a capital note) is only Convertible with the agreement of the Issuer, or
- (b) the Securities into which the Convertible Security may Convert are not presently Quoted, or
- (c) the Issuer of the Convertible Security is a Subsidiary of the Issuer of the Securities into which a Convertible Security will Convert,

the Convertible Security shall be deemed to be a Debt Security and not an Equity Security for the purposes of the Rules.

2. NZX may attach certain terms and conditions as NZX considers appropriate to a Ruling that a Convertible Security is a Debt Security, including requiring the Security to be issued, or the Conversion rights approved, as if Rule 7.3 applied, before the Security can be converted (see also Rule 7.3.11(b)), and may also require the Offering Document for the Security to contain disclosures that would be required for an issue of Equity Securities (for example, about the Issuer's dividend policy).

**Executive Director**

means a Director who is also an employee of the Issuer.

**Ex Date**

in relation to a benefit, means the second Business Day before the Record Date for that entitlement, unless NZX determines otherwise.

**Head Security**

means, in relation to any benefit, the Security the holding of which immediately before the Ex Date, confers the entitlement to the benefit.

<b>Home Exchange</b>	means, in respect of any Issuer, NZX, or any other Recognised Stock Exchange which NZX is satisfied has primary jurisdiction in relation to listing requirements for the Issuer and quotation of its Securities. In respect of Issuers subject to a declaration under Rule 5.1.7 the term includes NZX, whether or not the Issuer concerned retains another Home Exchange.
<b>Initial Public Offer</b>	means an initial offer of Securities to Members of the Public under an Offering Document by an entity that has applied for Listing.
<b>Investment Statement</b>	has the meaning given in section 38C of the Securities Act 1978.
<b>ISIN</b>	means International Security Identification Number.
	International Security Identification Numbers are allocated by NZX and the Reserve Bank of New Zealand for Equity and Debt Securities respectively. Numbers may be obtained on application to NZX or the Reserve Bank.
<b>Issuer</b>	means any person which is or has been Listed and, where applicable, has the extended meaning given in Rule 1.6.6.
<b>Listing</b>	means, in respect of any person (or Managed Fund), the entering into between that person (or, in the case of a Managed Fund, the Manager on behalf of the Managed Fund) and NZX of a listing agreement, whereby that person (or the Manager of that Managed Fund) agrees to comply with the Rules and NZX agrees to administer that person's (or Managed Fund's) listing on NZX and "Listed" and "List" have corresponding meanings.
<b>Material Information</b>	in relation to an NZAX Issuer is information that: <ul style="list-style-type: none"> <li>(a) a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of Quoted Securities of the NZAX Issuer; and</li> <li>(b) relates to particular securities, a particular NZAX Issuer, or particular NZAX Issuers, rather than to securities generally or NZAX Issuers generally.</li> </ul>

For the purposes of this definition information is “generally available to the market”:

- (c) if:
  - (i) it is information that has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in relevant securities; and
  - (ii) since it was made known, a reasonable period for it to be disseminated among those persons has expired; or
- (d) if it is likely that persons who commonly invest in relevant securities can readily obtain the information (whether by observation, use of expertise, purchase from other persons, or any other means); or
- (e) if it is information that consists of deductions, conclusions, or inferences made or drawn from either or both of the kinds of information referred to in paragraphs (c) and (d).

In this definition, relevant securities means securities of a kind the price of which might reasonably be expected to be affected by the information. Information that is notified to NZX for disclosure to the market in accordance with these Rules is generally available to the market under paragraph (c) of this definition immediately on it being made available to the market (without limiting how quickly the reasonable period of dissemination in paragraph (c)(ii) of this definition may be satisfied in other cases).

**Member of the Public**

means, in relation to an NZAX Issuer and/or Securities of an NZAX Issuer, any person other than:

- (a) a person who holds, or who is one of a group of Associated Persons who together hold, 10% or more of a Class of Securities; or
- (b) a person who has, or who is one of a

group of Associated Persons who together have, the power (whether contingent or not) to appoint one or more Directors of the NZAX Issuer; or

- (c) any other person or member of a class of persons, whom NZX in its discretion declares not to be a Member of the Public for the purposes of the Rules.

<b>Minimum Holding</b>	means a parcel or number of Securities as may be prescribed by NZX or, with the prior approval of NZX, by an NZAX Issuer in its constitution.
<b>Mining NZAX Issuer</b>	has the meaning given in Rule 10.10.1.
<b>Non-Standard NZAX Issuer</b>	<p>means a type of NZAX Issuer that has been so classified by NZX pursuant to Rule 5.1.3. An applicant for an NZAX Listing will be considered for classification as Non-Standard where that NZAX Issuer has a non-traditional ownership or management structure or unique constitution such as co-operative companies. Criteria which NZX may consider in assessing whether to classify an NZAX Issuer as Non Standard includes the following:</p> <ul style="list-style-type: none"> <li>(a) the NZAX Issuer has a defined group of shareholders; or</li> <li>(b) the ability of certain holders of shares to vote is limited.</li> </ul>
<b>NZAX</b>	means the alternative market operated by NZX.
<b>NZAX Issuer</b>	means any entity which has been admitted to the NZAX Market and is a party to a Listing Agreement with NZX and has the extended meaning given in NZAX Rule 1.6.6.
<b>NZDX</b>	means the debt security market operated by NZX.
<b>NZSX</b>	means the main board equity security market operated by NZX.
<b>NZX</b>	means NZX Limited and includes its successors and assigns and as the context permits includes any duly authorised delegate of NZX (including the Tribunal).
<b>NZ Markets Disciplinary Tribunal</b>	means the body constituted by NZX under the NZ Markets Disciplinary Tribunal Rules and where the context permits includes the

	chairperson, deputy chairperson, any division or duly authorised delegate of NZ Markets Disciplinary Tribunal.
<b>NZ Markets Disciplinary Tribunal Rules</b>	means the NZ Markets Disciplinary Tribunal Rules made by NZX from time to time.
<b>NZX Participant Rules</b>	means the NZX Participant Rules made by NZX from time to time.
<b>NZX Regulation Personnel</b>	means any person for the time being holding appointment, or designated, by NZX as NZX Regulation Personnel.
<b>NZX Sponsor</b>	means an entity that has been approved by NZX in accordance with the NZX Participant Rules as eligible to assist a prospective NZAX Issuer in the Listing and or Quotation of Securities on the NZAX Market.
<b>Offering Document</b>	means a document that contains an offer of Securities to the public and which complies with the Securities Act 1978 and the Rules.
<b>Official List</b>	has the meaning given in the ASX Listing Rules.
<b>Option</b>	means an option to acquire a Security.
<b>Ordinary Resolution of the NZAX Issuer</b>	means (subject to Rule 1.6.8) a resolution passed by a simple majority of Votes of holders of Securities of the NZAX Issuer which carry Votes, entitled to vote and voting.
<b>Organising Participant</b>	means the Primary Market Participant which has undertaken the responsibilities of that position in respect of a Listing procedure, issue, Offering Document, or Advertisement.
<b>Overseas Listed NZAX Issuer</b>	has the meaning given in Rule 5.1.1.
<b>Participant</b>	means a person who CDO has allowed to be a Legal Title Transfer Participant in accordance with the Depository Rules.
<b>Primary Market Participant</b>	has the meaning given in the NZX Participant Rules.
<b>Prospectus</b>	means a prospectus within the meaning of the Securities Act 1978.

<b>Quotation</b>	means, in respect of a Class of Securities of an NZAX Issuer, the granting of a right for Trading Participants to quote bids and offers for that Class of Security on NZX. “Quote” and “Quoted” have corresponding meanings;
<b>Recognised Stock Exchange</b>	means a stock exchange approved by NZX from time to time as enforcing rules, procedures and requirements sufficiently similar to those of NZX to justify classification as a Recognised Stock Exchange for the purposes of the Rules.
	Full members of the World Federation of Stock Exchanges (WFE) are recognised for this purpose.
<b>Record Date</b>	means the time fixed by an NZAX Issuer for the determination of the Security holders to whom an entitlement, right or obligation relating to the Securities of that NZAX Issuer shall apply.
<b>Related Company</b>	has the meaning given in section 2(3) of the Companies Act 1993 (read together with section 2(4) of that Act).
<b>Relevant Interest</b>	has the meaning given in the Securities Markets Act 1988.
<b>Renounceable</b>	in relation to a Right or offer of Securities means a Right or offer that is transferable by any holder for the time being to another person (whether or not an existing holder of any Securities to which the Right or offer relates).
<b>Right</b>	means any right to acquire any Security or benefit of any kind, whether conditional or not, and whether Renounceable or not.
<b>Rules</b>	means these NZAX Listing Rules as amended from time to time.
<b>Ruling</b>	means any decision or determination by NZX as to the meaning or interpretation or application of the Rules and includes any ruling, waiver, or revocation of a waiver given pursuant to Rules 1.9 1.10 and 1.11.
<b>Security</b>	means any interest or right to participate in any capital, assets, earnings, royalties, or other property of any person and includes:

	(a) any renewal or variation of the terms or conditions of any existing security;
	(b) any Debt Security; and
	(c) any Option or Right;
<b>Security Agreement</b>	has the meaning given in Rule 7.8.1.
<b>Settlement System</b>	has the meaning set out in the Depository Rules.
<b>Statement</b>	means a statement of holding of Securities complying with Rule 11.2.
<b>Subsequent Public Offer</b>	means any offer of securities other than an initial offer of Securities to Members of the Public, by and NZAX Issuer.
<b>Subsidiary</b>	means: <ul style="list-style-type: none"> <li>(a) a subsidiary within the meaning of section 5 of the Companies Act 1993 (read together with sections 6 to 8 inclusive of that Act); and</li> <li>(b) an entity treated as a subsidiary or in substance subsidiary within the meaning of any financial reporting standard approved in terms of section 27(3) of the Financial Reporting Act 1993;</li> </ul>
<b>Substantial Security Holder</b>	has the meaning given in section 2 of the Securities Markets Act 1988.
<b>Takeovers Code</b>	means the takeovers code recorded in the Takeovers Code Approval Order 2000.
<b>Trading Participant</b>	has the meaning given in the NZX Participant Rules.
<b>Treasury Stock</b>	means shares in an NZAX Issuer which is a company registered under the Companies Act 1993, which have been acquired by that NZAX Issuer and are held by that NZAX Issuer as treasury stock pursuant to provisions of that Act which enable treasury stock to be held by a company and includes shares held by a Subsidiary of a company other than in accordance with section 82(6) of the Companies Act 1993.
<b>Tribunal</b>	means the NZ Markets Disciplinary Tribunal.
<b>Trust Deed</b>	means a trust deed governing the issue of Securities which are Quoted or intended to be Quoted.



**Vendor Securities**

means Equity Securities which are issued by an NZAX Issuer at or about the time of its Listing, or of the first Quotation of Securities of the same Class as those Securities, or which are issued with a view to such Listing or Quotation, and which are issued as consideration for (whether directly or indirectly), or in connection with:

- (a) the acquisition by the NZAX Issuer or any Subsidiary of the NZAX Issuer of any material property (including without limitation any patent or intellectual property, or goodwill); or
- (b) services provided or to be provided to the NZAX Issuer or any Subsidiary of the NZAX Issuer (whether related to its formation, promotion, or Listing, or otherwise);  
and includes:
- (c) any Securities issued pursuant to a consolidation, subdivision, bonus issue, or similar arrangement in respect of Securities referred to above; and
- (d) any other Securities which NZX determines are Vendor Securities.

**Vote**

means a right to vote at meetings of holders of Securities of the NZAX Issuer other than:

- (a) a right to vote solely upon matters of a nature immaterial or inconsequential to the control of the NZAX Issuer, or to the control of any material part of the business or operations of the NZAX Issuer; or
- (b) a right to vote only when a payment in respect of the Security in question is in arrears or some other default exists, or on a proposal to change the rights attaching to that Security, or in other circumstances of a special or remote nature; or
- (c) a right to vote attaching to Securities which are not Equity Securities, exercisable only at meetings of holders of those Securities.

1.6.2 In these Rules:

- (a) Headings to clauses are for reference only and are not an aid in interpretation;

- (b) References to statutory provisions will be construed as references to those provisions as they may be amended or re-enacted or as their application is modified by other provisions from time to time;
- (c) References to a person are to that person and that person's successors and permitted assigns;
- (d) All periods of time include the day on which the period commences and also the day on which the period ends;
- (e) Any date which is not a Business Day, upon or by which anything is due to be done by any person, will be deemed to be a reference to the next Business Day;
- (f) Words importing the plural include the singular and vice versa and words importing gender import all genders;
- (g) A reference to conduct or engaging in conduct includes a reference to doing, refusing to do or omitting to do, any act, including the making of, or the giving effect to a provision of, an agreement. Unless the contrary intention appears, a reference to doing, refusing or omitting to do any act or thing includes a reference to causing, permitting suffering or authorising the act or thing to be done or the refusal or omission to occur;
- (h) All warranties, representations, indemnities, covenants, agreements and obligations given or entered into by more than one person will be deemed to have been given or entered into jointly and severally;
- (i) Any statement in these Rules stated to be to the best of a Person's knowledge or to be so far as a Person is aware (or any similar expression) will be deemed to include an additional statement that it has been made after due and careful enquiry;
- (j) If a word or expression is given a particular meaning, another part of speech or grammatical form of that word or expression has a corresponding meaning;
- (k) A reference to a Rule (e.g. Rule 2.4) includes a reference to all sub-Rules included under that Rule (e.g. Rule 2.4.3) and a reference to a Section (e.g. Section 2) includes a reference to all Rules and sub-Rules within that Section;
- (l) A reference to time is a reference to New Zealand time and references to monetary amounts are to New Zealand currency;
- (m) If the name of a body is changed in accordance with the law (whether or not the body is incorporated) or the name of an office is changed by law then a reference in these Rules to the body or office under any former name, except in relation to matters that occurred before the change took effect, is taken as a reference to the body or office under

the new name;

- (n) The appendices to the Rules shall have the same force and effect as if set out in the body of the Rules;
- (o) The words “written” and “writing” include facsimile communications and any other means of communication resulting in permanent visible reproduction; and
- (p) The word “person” includes any association of persons whether corporate or unincorporated, and any state or government or department or agency thereof, whether or not having separate legal personality.

1.6.3 In these Rules the following rules of interpretation apply:

- (a) an “agreement” also includes a contract, deed, licence, franchise, undertaking or other document (in each case, oral and written) and includes that agreement as modified, supplemented, novated or substituted from time to time;
- (b) “consent” also includes an approval, authorisation, exemption, filing, licence, order, permit, recording or registration (and references to obtaining consents are to be construed accordingly);
- (c) a “director” includes:
  - (i) a person occupying the position of management and control of a Clearing Participant, by whatever name called;
  - (ii) a person in accordance with who’s directions or instructions the Participant, or any person referred to in (i) is accustomed or required to act.
- (d) a “law” includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure, in each case of any relevant jurisdiction (and “lawful” and “unlawful” shall be construed accordingly);
- (e) “rights” includes authorities, discretions, remedies, powers and causes of action;
- (f) a “holding company” means a company of which another company is a subsidiary;
- (g) “subsidiary” means a subsidiary of that company as defined in the Companies Act 1993 and includes an “in substance subsidiary” and any other company treated as a subsidiary of a company in accordance with Generally Accepted Accounting Practice, provided that the definition of “company” includes a company wherever incorporated;

- (h) “tax” includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding imposed, assessed or levied by any governmental agency (whether state or local), and any interest, penalties, fines, costs, charges, and other liabilities arising from or payable in respect of such tax;
  - (i) In the interpretation of a Rule, a construction that would promote the purpose or object underlying the Rules (whether that purpose or object is expressly stated in the Rules or not) is to be preferred to a construction which would not promote that purpose or object.
- 1.6.4 Unless otherwise defined in these Rules, the definitions in the NZSX Listing Rules, Rules, the NZX Participant Rules or the Futures and Options Rules shall apply to capitalised terms in these Rules.
- 1.6.5 The footnotes to the Rules are intended as a guide for users and an aid in interpretation and, only to that extent, form part of the Rules.
- 1.6.6 Reference to an NZAX Issuer in the Rules shall, as the context permits, extend to include all members (other than another Listed entity or a Subsidiary thereof) of any group of companies and/or other entities of which the NZAX Issuer is the holding company, or in which the NZAX Issuer otherwise has a controlling interest, to the extent that such extension is necessary to ensure that the object of the Rules is not frustrated or avoided by reason of the separate legal personality of members of the group. In relation to the disclosure of information for this purpose the group includes any Associated Persons of the NZAX Issuer of which the NZAX Issuer has control in law or in fact, other than any such Associated Person which is another Listed entity or a Subsidiary thereof. Assessment of the materiality of any information in relation to such group shall be treated as if the group constituted one business
- 1.6.7 Terms used in the Rules which have defined meanings in the Companies Act 1993, the Securities Markets Act 1988 and/or the Securities Act 1978 shall have the same meanings in the Rules unless the context requires otherwise.
- 1.6.8 If as a matter of law, or by reason of the provisions of any Constitution or other document, the holders of all Classes of Securities which carry Votes are not able to meet and vote at one meeting, then more than one meeting may be held and, for the purposes of the definition of Ordinary Resolution of the NZAX Issuer, regard may be had to the aggregate number of Votes cast in favour of and against the relevant proposal at all of the meetings held.
- 1.6.9 Where an NZAX Issuer wishes to quote any Security that is not an Equity Security, such Security shall be governed by such of these NZAX Listing Rules or other NZX Listing Rules as NZX determines in its absolute discretion shall be applicable to the type of Security the NZAX Issuer wishes to quote.

**1.7 Associated Persons**

- 1.7.1 In the Rules, a person is an Associated Person of another person if the first person is associated with the other in terms of Rules 1.7.2 to 1.7.6.
- 1.7.2 A person (the "first person") is associated with another person (the "second person") if, in making a decision or exercising a power affecting an NZAX Issuer, the first person could be influenced as a consequence of an Arrangement or relationship existing between, or involving, the first person and the second person.
- 1.7.3 Without limiting Rule 1.7.2, the first person is associated with the second person if:
- (a) the first person is a company, and the second person is:
    - (i) Director of that company; or
    - (ii) Related Company of that company; or
    - (iii) Director of a Related Company of that company; or
  - (b) the first person is a spouse, domestic companion, child or parent of the second person, or a nominee or trustee for any of them or for the second person; or
  - (c) the first person is a Director of a company, or holds a Relevant Interest in Securities carrying more than 10% of the Votes of a company and the first person and the second person are parties to an Arrangement relating to the control of, or the control or ownership of Securities in, that company, which Arrangement affects Securities of that company carrying more than 30% of the total Votes attaching to Securities of that company; or
  - (d) the first person and the second person are acting jointly or in concert; or
  - (e) the first person and/or the second person propose to do, or are likely to do, anything which will cause them to become associated in terms of paragraphs (a) to (d) above or Rule 1.7.2.
- 1.7.4 The first person is not associated with the second person solely because:
- (a) the first person acts as a professional or business adviser to the second person, without a personal financial interest in the outcome of that advice; or
  - (b) the first person is a Trading Participant or other person whose ordinary business includes dealing in Securities on behalf of others, and the first person acts in accordance with the specific instructions of the second person to deal in Securities; or

(c) the first person acts as a proxy or representative of the second person for the purposes of a meeting of holders of Securities of a company or other entity.

1.7.5 If the first person is associated with the second person in terms of Rule 1.7.2 to 1.7.4, then the second person shall be deemed to be associated with the first person.

1.7.6 Notwithstanding anything in this Rule 1.7, persons shall not be associated if NZX rules that they are not associated.

1.7.7 For the purposes of this Rule 1.7, “Arrangement” means an agreement, arrangement, or understanding, whether express or implied, and whether or not legally enforceable.

1. The definition of “Associated Person” is broad. If there is any doubt as to whether any two or more persons are Associated Persons, NZAX Issuers should seek a ruling from NZX in terms of Rule 1.7.6.

2. If a connection between two persons of the nature referred to in NZAX Listing Rule 1.7.3(c) or (d) is not related to the matter in respect of which the question of whether those persons are Associated Persons is required to be determined, NZX will readily grant a ruling that those persons are not Associated Persons.

## 1.8 Disputed Interpretation

1.8.1 In the event of a dispute or anticipated dispute between an NZAX Issuer and any Security holder of that NZAX Issuer having the benefit of the Rules, as to the meaning of any of the provisions of the Rules, upon application of either of them, the matter may, if NZX elects to exercise this power, be determined by NZX.

1.8.2 Any party to a dispute or anticipated dispute who is entitled to apply to NZX for a determination under NZAX Listing Rule 1.8.1 and seeks such a determination shall give written notice to NZX. The notice shall contain a summary of the relevant facts known to the applicant and any explanation necessary to enable NZX to know the issues which are or may be in dispute and to identify which, if any, other parties or potential parties should be given notice of the application and invited to make submissions.

1.8.3 Before any action at law is commenced by a party to, or Security holder having the benefit (pursuant to NZAX Listing Rule 2.1) of, the contract represented by the Rules, which involves determination of a dispute as to the meaning or application of the Rules, such party shall apply to have a determination made by NZX pursuant to NZAX Listing Rule 1.8.1 as a condition precedent to the commencement of such proceedings.

Rule 1.8.3 is analogous to a *Scott v Avery* clause used in arbitration provisions, and is intended to have the same effect.

**1.9 Rulings**

1.9.1 NZX may, on request or of its own motion and whether or not a dispute exists, by written notice to the NZAX Issuer concerned, make rulings as to the meaning, interpretation or application of any one or more of the provisions of the Rules for such period and on such terms and conditions as NZX may determine.

1.9.2 Unless the NZAX Issuer establishes, to the satisfaction of NZX, grounds for maintaining confidentiality of NZX's decision with respect to a ruling application made by that NZAX Issuer or, unless NZX determines in its sole discretion not to publish its decision with respect to a ruling application, NZX will publish that decision and the identity of that NZAX Issuer and the facts of that application and the grounds for determining that application will be disclosed.

1. NZX will generally consider that rulings sought in anticipation of a transaction will be grounds for confidentiality until such transaction is announced to the market. If the transaction does not proceed, the ruling sought will not lose its confidentiality.

2. All applications for rulings should be submitted to NZX at least 10 Business Days prior to the NZAX Issuer requiring a determination. Where applications are not submitted to NZX at least 10 Business Days prior to the NZAX Issuer requiring a determination, the NZAX Issuer may be charged an urgency fee.

1.9.3 Any ruling given pursuant to NZAX Listing Rule 1.9.1 shall have effect according to its tenor as if it formed part of the Rules in relation to the NZAX Issuer concerned and may be recorded or publicised in such manner as NZX thinks fit.

1. Rules 1.9.1 (and 1.8 and 1.10) are intended to exclude the Court's role in interpreting the Rules only where and to the extent that NZX has made a relevant Ruling before the date on which the substantive Court hearing could occur. Because the Rules, although contractual, assume the exercise of broad discretions in some areas, the rights and entitlement conferred under the Rules are to be read subject to the possibility of exercise of the powers and discretions reserved to NZX.

2. Any ruling given pursuant to Rule 1.9.1 will be provided to the NZAX Issuer not less than one half a Business Day prior to publication by NZX and should be kept confidential to the NZAX Issuer until published by NZX. The Ruling to be provided is a final decision, and will not be for comment by the NZAX Issuer. The Ruling is provided to facilitate the NZAX Issuer dealing with the publication of the Ruling by NZX.

3. NZAX Issuers making applications for rulings should complete any templates promulgated by NZX for this purpose and all information necessary for NZX to determine such application should be provided at the time of application. Where NZX requires the NZAX Issuer to provide additional information in respect of an application for a ruling, NZX will have 10 Business Days from the date all information is finally provided to make its determination. An NZAX Issuer must comply with any NZX timetable for provision of information and any information received after the date set out in the timetable may not be considered by NZX.
4. Where an NZAX Issuer wishes its application for ruling and NZX's decision on that ruling application to be treated in confidence it should specify this in its application and include grounds in support of this.

## **1.10 Waiver**

- 1.10.1 NZX may, in any particular case or cases, by written notice to the NZAX Issuer concerned, waive the application of any one or more of the provisions of the Rules for such period (whether commencing before or after the date of the notice) and on such terms and conditions as NZX may determine.
- 1.10.2 Unless the NZAX Issuer establishes, to the satisfaction of NZX, grounds for maintaining confidentiality of NZX's decision with respect to a waiver application made by that NZAX Issuer, or unless NZX determines in its sole discretion not to publish its decision with respect to a waiver application, NZX will publish that decision and the identity of that NZAX Issuer and the facts of that application and the grounds for determining that application will be disclosed.
  1. NZX will generally consider the waivers sought in anticipation of a transaction to be grounds for confidentiality until such transaction is announced to the market. If the transaction does not proceed, the waiver sought will not lose its confidentiality.
  2. All applications for waivers should be submitted to NZX at least 10 Business Days prior to the NZAX Issuer requiring a determination. Where applications are not submitted to NZX at least 10 Business Days prior to the NZAX Issuer requiring a determination, the NZAX Issuer may be charged an urgency fee.
- 1.10.3 Any waiver granted under Rule 1.10.1 may be revoked at any time by NZX by written notice to the NZAX Issuer concerned and such a revocation shall have effect from the date stated in the notice (which may be before the date of the notice if NZX considers that the waiver was granted on the basis of incorrect information).
- 1.10.4 Subject to Rule 1.10.2 NZX may publish such information relating to a waiver granted or refused under Rule 1.10.1, or revocation of a waiver under Rule 1.10.3, as it considers desirable.



1. Any waiver given pursuant to Rule 1.10.1 will be provided to the NZAX Issuer not less than one half a Business Day prior to publication by NZX and should be kept confidential to the NZAX Issuer until published by NZX. The waiver to be provided is a final decision, and will not be for comment by the NZAX Issuer. The waiver is provided to facilitate the NZAX Issuer dealing with the publication of the waiver by NZX.
2. NZX shall consider retrospective waivers only in exceptional circumstances where a minor or inadvertent breach of an NZAX Issuer would incur severe consequences for such NZAX Issuer if the application were not considered by NZX.
3. NZAX Issuers making applications for waiver should complete any templates promulgated by NZX for this purpose and all information necessary for NZX to determine such application should be provided at the time of application. Where NZX requires the NZAX Issuer to provide additional information in respect of an application for a waiver, NZX will have 10 Business Days from the date all information is finally provided to make its determination. An NZAX Issuer must comply with any NZX timetable for provision of information and any information received after the date set out in the timetable may not be considered by NZX.
4. Where an NZAX Issuer wishes its application for waiver and NZX's decision on that waiver application to be treated in confidence it should specify this in its application and include grounds in support of this.

## **1.11 Interpretation Policy**

- 1.11.1 In the exercise of the powers to make Rulings NZX shall be guided by the policies set out or explained in the footnotes to the Rules and any other practice notes or relevant Rulings promulgated to NZAX Issuers.
- 1.11.2 In addition to the policy statements referred to in Rule 1.11.1 NZX may from time to time issue further policy statements and practice notes which will have a similar status in the application of the Rules.

## **1.12 Condition in Contract**

- 1.12.1 Each NZAX Issuer shall ensure that its obligations, and the obligations of its Subsidiaries, under every agreement involving a transaction which in terms of the Rules requires approval by a resolution of holders of Securities shall:
  - (a) be conditional upon the passage of such a resolution in accordance with the Rules; and
  - (b) that that transaction shall not be completed until that resolution is passed.

- (c) If that resolution is not passed, the NZAX Issuer shall terminate its obligations, or the obligations of its Subsidiary, under that agreement, so that the transaction in question does not proceed.

**1.13 Governing Law and Jurisdiction**

- 1.13.1 The Rules shall be governed by and construed in accordance with the law of New Zealand. Each NZAX Issuer shall be deemed, by entering into a Listing Agreement with NZX, to have irrevocably submitted to the non-exclusive jurisdiction of the Courts of New Zealand.

## NZAX Listing Rules

### Section 2: Compliance and Enforcement

2

#### 2.1 Contracts Privity Act to Apply

2.1.1 Subject to Rule 2.1.2, the provisions of the Rules are hereby declared to be a contract enforceable against each NZAX Issuer for the benefit of every person who is or was a holder of Quoted Securities of that NZAX Issuer in the period in which the NZAX Issuer is or was Listed, and the Contracts (Privity) Act 1982 shall apply accordingly.

2.1.2 Nothing in Rule 2.1.1, or in the status of holders of Quoted Securities referred to in that Rule as beneficiaries of the Rules under the Contracts (Privity) Act 1982, shall:

- (a) entitle such persons to take action against NZX or The Tribunal, whether to challenge the right of NZX or The Tribunal to exercise or not exercise its powers under the Rules in such manner as it thinks fit, or for the consequences of any such exercise or non-exercise; or
- (b) limit or affect the rights of NZX or The Tribunal in respect of the Rules and in particular (but without limitation) the absolute discretion to make Rulings and to change or revoke all or any of the Rules; or
- (c) entitle any person other than NZX to the benefit of, or to exercise, the rights and powers provided in Rule 2.3; or
- (d) entitle any person to prior, or any, notice of a Ruling; or

#### 2.2 Compliance by Subsidiaries, Officers and Associates

2.2.1 Every NZAX Issuer shall take all steps within its powers to ensure that:

- (a) no Subsidiary of the NZAX Issuer; and
- (b) no person who is acting in concert with the NZAX Issuer or any of its Subsidiaries for purposes relevant to the Rules,

does anything which would cause that NZAX Issuer to be in breach of the Rules.

See also the definition of NZAX Issuer in Rule 1.6.6 which extends the effect of the Rules to any group of companies or other entities of which an NZAX Issuer is the holding company.

2.2.2 Every NZAX Issuer shall ensure that every Director of the NZAX Issuer shall, forthwith after his or her appointment as such or at the time of making Application for Listing (whichever is applicable), deliver to NZX a signed acknowledgement to the effect that:

- (a) the Director is aware that the NZAX Issuer is contractually bound to observe the Listing agreement between the NZAX Issuer and NZX, and the Rules from time to time; and
- (b) the Director will use his or her best endeavours to procure compliance by the NZAX Issuer with the Rules.

## **2.3 Issuer Surveillance**

2.3.1 The NZX Regulation Personnel on their own accord or pursuant to a request made of them by The Tribunal, and The Tribunal and any other person authorised by NZX may, for the purpose of ascertaining whether an NZAX Issuer is complying or has complied with the Rules, or of ascertaining whether NZX should exercise in respect of an NZAX Issuer any rights or powers under the Rules:

- (a) require the NZAX Issuer, or require the NZAX Issuer to procure, any Director, officer, employee, or agent of the NZAX Issuer or any Subsidiary thereof to produce for inspection any books, papers, registers, records, or accounts (whether recorded in documentary or electronic form) (for the purposes of this Rule 2.3.1 together "information") that are held by the person concerned;
- (b) inspect and make copies of, or take notes from, such information; and
- (c) if necessary for the purpose of making copies or taking records thereof, take possession of any such information, and remove it from the premises where it is kept, for such period of time as is reasonable to make such copies or records; and
- (d) require the NZAX Issuer or, require the NZAX Issuer to procure, any Director, officer, employee or agent of the NZAX Issuer or any Subsidiary thereof to appear for interview.

2.3.2 Where NZX Regulation Personnel are exercising their powers under Rule 2.3.1 pursuant to a request by the Tribunal, or other person authorised under Rule 2.3.1, NZX Regulation Personnel shall deliver to the Tribunal or that other person authorized by Rule 2.3.1 making that request all information obtained pursuant to Rule 2.3.1.

- 2.3.3 Where the Tribunal or any other person authorised under Rule 2.3.1 exercising its powers under Rule 2.3.1 obtains information from an NZAX Issuer, The Tribunal or that other person authorised under Rule 2.3.1 shall provide that information to NZX if:
- (a) The Tribunal or that other person authorised under Rule 2.3.1 considers that that information should have been made available to NZX by that NZAX Issuer, or otherwise pursuant to the Rules; or
  - (b) The Tribunal or that other person authorised under Rule 2.3.1 considers that that information discloses some other breach of the Rules.
- 2.3.4 Information obtained pursuant to Rule 2.3.1 shall not be disclosed by the NZX Regulation Personnel, The Tribunal or any person authorised under Rule 2.3.1, to any person, except:
- (a) as required to discharge their functions and/or to exercise powers conferred by these Rules;
  - (b) if disclosure is required by law; or
  - (c) if disclosure is to a solicitor, accountant, or other professional adviser of NZX Regulation Personnel, The Tribunal, or any other person authorised under Rule 2.3.1; or
  - (d) in accordance with Rule 2.3.2, 2.3.3 or 2.3.5; or
  - (e) to NZX, the Chief Executive and/or the Board of NZX.
  - (f) to the Securities Commission in accordance with sections 36ZD or 36ZL of the Securities Markets Act 1988 or to any other regulator to comply with a request of that regulator or otherwise co-operate with that regulator.
- 2.3.5 Where NZX Regulation Personnel have exercised their powers of inspection pursuant to Rule 2.3.1 and NZX Regulation Personnel consider that the information obtained discloses a breach of the Rules, NZX Regulation Personnel may disclose to the Tribunal so much of that information as is necessary to disclose the fact and nature of the breach and may bring a charge against the NZAX Issuer for such alleged breach, such charge to be heard in accordance with the Tribunal Rules. In addition to disclosing the information obtained under Rule 2.3.1, NZX Regulation Personnel shall disclose to the Tribunal all other facts and circumstances of which it is aware relating to the alleged breach of the Rules and which is relevant to the charge brought.

- 2.3.6 All information given to NZX by the Tribunal under Rule 2.3.3 or given to NZX under Rule 2.3.4 may be dealt with by NZX in all respects as if it had been supplied by the NZAX Issuer in compliance with the Rules, and accordingly fell within Rule 10.1.3.
- 2.3.7 A document signed by the Chief Executive of NZX, or by the Chairperson of the Tribunal (as defined in the NZX Participant Rules), or by the chairperson of any Division (as defined by the NZX Participant Rules) of the Tribunal warranting the appointment of any person to exercise the powers of NZX set out in this Rule 2.3 shall be conclusive evidence of the authority thereby warranted. Such a document may be general or specific to the circumstances of a particular case.
- 2.3.8 Any exercise by NZX of the power set out in Rule 2.3.6 shall, in absence of agreement of the NZAX Issuer concerned, require at least one Business Day's prior written notice to the NZAX Issuer of the intention to exercise such power (which notice may be in a general form), unless NZX Regulation Personnel have certified that the notice period shall not apply in any particular case, and such certification indicating the reasons therefore is shown to the NZAX Issuer on request.

## **2.4 NZ Markets Disciplinary Tribunal**

- 2.4.1 The Tribunal shall have the powers, rights and discretions set out in the New Zealand Markets Disciplinary Tribunal Rules (Tribunal Rules) which are incorporated by reference into these Rules.

## **2.5 Liability and Indemnity**

- 2.5.1 None of NZX, any director or any employee of NZX, any NZX Regulation Personnel nor any delegate of NZX shall be liable in tort, contract, or otherwise for any action taken or not taken in exercise or purported exercise in good faith of the powers or discretions conferred by the Rules.
- 2.5.2 Each NZAX Issuer shall indemnify NZX, each director or employee of NZX, all NZX Regulation Personnel and each delegate of NZX under the Rules against all liabilities and claims which may arise (notwithstanding the limitation in Rule 2.5.1) in relation to any action or inaction by any such person in connection with such NZAX Issuer, which NZX determines to have been taken or not taken in good faith and in response to circumstances for which the NZAX Issuer should bear the responsibility in whole or in part. The indemnity shall be for all or such part of the liabilities and claims as NZX determines in the circumstances.

2.5.3 Rules 2.5 and 2.6.1 shall continue to apply in all respects to the Market Surveillance Panel constituted under the Rules until 1 May 2004 and any member or delegate of the Panel, in respect of all acts or omissions of the Panel, its members or delegates whilst it was in existence under the previous Rules.

## **2.6 Costs**

2.6.1 An NZAX Issuer shall, when called upon by NZX to do so, pay all costs and expenses incurred by NZX, NZX Regulation Personnel and The Tribunal, and any person authorised by NZX in carrying out the functions and exercising the rights and powers conferred by the Rules in respect of that NZAX Issuer. The costs and expenses so payable may include an appropriate proportion of the remuneration and other overhead costs of NZX in relation to such matters.

2.6.2 Every applicant for an NZAX Listing shall, before it is Listed, deliver to NZX a bond in a form approved by NZX, for an amount determined by NZX in accordance with Rule 2.6.3, and given by a person approved by NZX for this purpose. Any NZAX Issuer which has not complied with this Rule before Listing shall do so when required by NZX. NZX may, in respect of any applicant for Listing or NZAX Issuer, agree to accept, in lieu of a bond, a deposit of money on such terms as NZX may determine.

2.6.3 Each deposit or bond made or given pursuant to Rule 2.6.2 shall be made or given to secure to NZX the payment of all moneys payable to NZX by the NZAX Issuer under the Rules. NZX may from time to time determine the amount of each such deposit or bond. If NZX increases that amount, each NZAX Issuer shall upon request by NZX increase the amount of the deposit made by that NZAX Issuer, or procure the amount of the bond provided in respect of that NZAX Issuer to be increased. If any portion of a deposit or bond is applied in payment of moneys payable to NZX by the NZAX Issuer, the NZAX Issuer shall forthwith cause the deposit or bond to be reinstated to its previous amount.

## NZAX Listing Rules

3

### Section 3: Constitutions and Directors

#### 3.1 Content of Constitution

- 3.1.1 The Constitution of each NZAX Issuer shall incorporate by reference, or contain provisions consistent with, and having the same effect as, the provisions listed in Appendix 2, as such listing rules apply from time to time and as modified by any Ruling relevant to the NZAX Issuer.
- 3.1.2 The Constitution of each NZAX Issuer shall also:
- (a) contain a provision to the effect that, for so long as the NZAX Issuer is Listed, the NZAX Issuer shall comply with the Rules;
  - (b) contain a provision to the effect that if NZX has granted a Ruling in relation to that NZAX Issuer authorising any act or omission which in the absence of that Ruling would be in contravention of the Rules or the Constitution, that act or omission shall, unless a contrary intention appears in the Constitution, be deemed to be authorised by the Rules and by the Constitution, and
  - (c) not contain any provision inconsistent with the Rules as modified by any Ruling relevant to the NZAX Issuer and shall in any event include a provision that provides that if a provision in the Constitution is inconsistent with the Rules, the Rules shall prevail.
- 3.1.3 Subject to applicable law and the other provisions of the Rules, each NZAX Issuer shall comply at all times with all of the provisions listed in Appendix 2 (except in so far as they have been waived or varied in relation to that NZAX Issuer by a Ruling) as if provisions giving effect to them were incorporated in, included in, or formed part of the Constitution of that NZAX Issuer, whether or not they are so included.

#### 3.2 Appointment and Rotation of Directors

- 3.2.1 The minimum number of Directors of an NZAX Issuer (other than alternate Directors) shall be three. At least two Directors shall be ordinarily resident in New Zealand.
- 3.2.2 No person (other than a Director retiring at the meeting) shall be elected as a Director at an annual meeting of Security holders of an NZAX Issuer unless that person has been nominated by a Security holder entitled to attend and vote at the meeting.



There shall be no restriction on the persons who may be nominated as Directors (other than the holding of qualification shares, if the Constitution so requires) nor shall there be any precondition to the nomination of a Director other than compliance with time limits in accordance with this Rule 3.2.2. The closing date for nominations shall not be more than two months before the date of the annual meeting at which the election is to take place. An NZAX Issuer shall make an announcement to the market of the closing date for Director Nominations and the contact details for making nominations no less than 10 Business Days prior to the closing date for Director nominations. Notice of every nomination received by the NZAX Issuer before the closing date for nominations shall be given by the NZAX Issuer to all persons entitled to attend the meeting together with, or as part of, the notice of the meeting.

3.2.3 Any person who is appointed as a Director by the Directors shall retire from office at the next annual meeting of the NZAX Issuer, but shall be eligible for election at that meeting.

3.2.4 The Constitution may give a Security holder the right to appoint Directors, so long as:

(a) the proportion which the number of such Directors bears to the total number of Directors expected to hold office immediately after such appointment does not exceed the proportion of the total Votes of the NZAX Issuer attaching to Securities held by the appointer; and

(b) if the appointer exercises its rights to appoint Directors, then the appointer has no right to vote upon the election of other Directors.

The annual report must identify Directors appointed under this Rule 3.2.4 see Rule 10.5.5(i).

3.2.5 No term of appointment of an executive Director of an NZAX Issuer or any of its Subsidiaries, shall exceed five years. This provision shall not preclude reappointment of an Executive Director upon expiry of a term of appointment, and shall not affect the terms of the engagement of that Executive Director as an employee.

3.2.6 Subject to Rule 3.2.7, at least one third of the Directors or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting. Those to retire shall be those who have been longest in office since they were last elected or deemed elected.

3.2.7 The following Directors shall be exempt from the obligation to

retire pursuant to Rule 3.2.6:

- (a) Directors appointed pursuant to Rule 3.2.4; and
- (b) Directors appointed by the Directors, who are offered for re-election pursuant to Rule 3.2.3; and
- (c) one Executive Director (if the Constitution so provides).

The Directors referred to in (a) and (c) shall be included in the number of Directors upon which the calculation for the purposes of Rule 3.2.6 is based. The Directors referred to in (b) shall be excluded from that number.

Rule 3.2.8 deals with the obligation of the holder of a special office such as "Founder President" to retire by rotation.

3.2.8 An NZAX Issuer may, with the prior approval of NZX, provide in its Constitution for the appointment of a person to a special office such as "Founder President". If the person holding that office is a Director, then (subject to Rule 3.2.9) all of the provisions of the Rules as to Directors shall apply to that person.

3.2.9 A holder of a special office in terms of Rule 3.2.8 who is also a Director shall not be subject to retirement by rotation under Rule 3.2.6, provided that:

- (a) the holder of a special office shall retire every fifth year following appointment to the special office, as if Rule 3.2.6 applied to him or her in that year; and
- (b) the holder of the special office shall in each year be included in the number of Directors upon which the calculation for the purposes of Rule 3.2.6 is based; and
- (c) if an Executive Director holds office and is exempted from retirement by rotation under Rule 3.2.7, this Rule shall not apply, and the holder of the special office shall be subject to retirement by rotation under Rule 3.2.6.

NZX has a complete discretion whether or not to approve the creation of a special office. NZX will not in any event approve the creation of a special office unless:

- (a) it is created in respect of a specified individual who has had a special connection with the NZAX Issuer (eg: a foundation director) and who is regarded as having been a very significant and outstanding contributor to the NZAX Issuer or its associated companies over a period of not less than 15 years, and who has acquired a public reputation in that regard, deserving of special recognition;

and

- (b) the proposal has the unanimous support of the Directors of the NZAX Issuer.

### **3.3 Proceedings and Powers of Directors**

- 3.3.1 Directors may act notwithstanding any vacancy in their body but, if and for so long as their number is reduced below the number fixed by the Constitution as the minimum number of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning an annual meeting of the NZAX Issuer, but for no other purpose.
- 3.3.2 In cases where two Directors form a quorum, the chairperson of a meeting at which only two Directors are present shall not have a casting vote.
- 3.3.3 Subject to Rule 3.3.4, a Director shall not vote on a Board resolution in respect of any matter in which that Director is interested, nor shall the Director be counted in the quorum for the purposes of consideration of that matter. For this purpose, the term "interested" bears the meaning assigned to that term in section 139 of the Companies Act 1993, on the basis that if an NZAX Issuer is not a company registered under that Act, the reference to the "company" in that section shall be read as a reference to the NZAX Issuer.
- 3.3.4 Notwithstanding Rule 3.3.3, a Director of an NZAX Issuer which is a company registered under the Companies Act 1993 may vote in respect of and be counted in the quorum for the Board for the purposes of a matter in which that Director is interested if that matter is one in respect of which, pursuant to an express provision of that Act, Directors are required to sign a certificate or one which relates to the grant of an indemnity pursuant to section 162 of the Companies Act 1993.

### **3.4 Directors Remuneration**

- 3.4.1 No remuneration shall be paid to a Director in his or her capacity as a Director of the NZAX Issuer or any Subsidiary, other than a Subsidiary which is Listed (including any remuneration paid to that Director by a Subsidiary, other than a Subsidiary which is also Listed) unless that remuneration has been authorised by an Ordinary Resolution of the NZAX Issuer. Each such resolution shall express Directors' remuneration as either:
  - (a) a monetary sum per annum payable to all Directors of the NZAX Issuer taken together; or

- (b) a monetary sum per annum payable to any person who from time to time holds office as a Director of the NZAX Issuer.

Such a resolution may expressly provide that the remuneration may be payable either in part or in whole by way of an issue of Equity Securities, provided that issue occurs in compliance with Rule 7.3.7.

If remuneration is expressed in accordance with (a), then in the event of an increase in the total number of Directors of the NZAX Issuer holding office, the Directors may, without the authorisation of an Ordinary Resolution of the NZAX Issuer, increase the total remuneration by such amount as is necessary to enable the NZAX Issuer to pay to the additional Director or Directors of the NZAX Issuer remuneration not exceeding the average amount then being paid to each of the other non-executive Directors (other than the chairperson) of the NZAX Issuer.

No resolution which increases the amount fixed pursuant to a previous resolution shall be approved at an annual meeting of the NZAX Issuer unless notice of the amount of increase has been given in the notice of meeting. Nothing in this Rule 3.4.1 shall affect the remuneration of executive Directors in their capacity as executives.

Directors' remuneration for work not in the capacity of a Director of the NZAX Issuer or a Subsidiary may be approved by the Directors without Shareholder approval, subject to Rule 9.2 (if applicable).

1. Rule 3.4.1 is intended to enable a meeting of an NZAX Issuer to fix Director's remuneration either as an overall sum payable to all Directors of the NZAX Issuer (which may be divided up amongst the Directors of the NZAX Issuer in such manner as they see fit) or as an amount per Director.
2. Note that full disclosure in the annual report of Directors' remuneration is required by virtue of s.211(1)(f) of the Companies Act 1993.

3.4.2 An NZAX Issuer may make a payment to a Director or former Director of that NZAX Issuer, or his or her dependents, by way of a lump sum or pension, upon or in connection with the retirement or cessation of office of that Director, only if the amount of the payment, or the method of calculation of the amount of that payment is authorised by an Ordinary Resolution of the NZAX Issuer provided that an NZAX Issuer may make a payment to a Director or a former Director that was in office on

or before 1 May 2004 and has continued to hold office since that date, or to his or her dependents, by way of a lump sum or pension, upon or in connection with the retirement or cessation of office of that Director, without an Ordinary Resolution of the NZAX Issuer provided that the total amount of that payment (or the base for the pension) does not exceed the total remuneration of that Director in his or her capacity as a Director in any three years chosen by the NZAX Issuer.

Nothing in this Rule 3.4.2 shall affect any amount paid to an executive Director upon or in connection with the termination of his or her employment with the NZAX Issuer, or the payment of any amount attributable to the contribution (or any normal subsidy related thereto) made by a Director to a superannuation scheme.

1. In the case of any resolution under Rules 3.4.1 or 3.4.2, no vote in favour of any such resolution shall be cast by the Director intended to receive a payment or any Associated Person of such Director.
2. Any resolution of Security holders that may effect the total amount payable to a Director or Directors as previously approved under Rule 4.3.2 must disclose that fact, the total amount that would be payable to that Director or Directors if the resolution is approved and why the resolution will effect the total amount payable to that Director or Directors.

## NZAX Listing Rules

### Section 4: Takeovers Provisions for Issuers which are not Code Companies

4

#### 4.1 Interpretation

4.1.1 In this Section 4 unless the context otherwise requires:

**Acquisition Notice** has the meaning given in Rule 4.8.1.

**Affected Group** means:

- (a) in respect of a Restricted Transfer effected otherwise than by trades matched through NZX's order matching market each of:
  - (i) the group comprised of persons who are not recipients (disregarding inadvertent non-receipt) of the offer or invitation which would implement the proposed Transfers;
  - (ii) if the Transfers are not of an equal proportion of all holdings which are offered for disposal, the groups comprised of Transferors whose Transfers represent substantially identical proportionate parts of the holdings offered by them; and
  - (iii) the group comprised of persons who are not members of the groups described in (i) and (ii) and who are not the Transferees and other persons whose Relevant Interests would be taken into account in determining whether the Transfer is a Restricted Transfer, but disregarding the proviso to the definition of Restricted Transfer;
- (b) in respect of a Restricted Transfer effected by trades matched through NZX's order matching market, the group comprised of those other than:
  - (i) the persons whose control of Votes would in aggregate determine whether the Transfer is a Restricted

Transfer; and  
(ii) insiders.

<b>Affected Securities</b>	has the meaning given in Rule 4.8.1.
<b>Appraisal Report</b>	means an appraisal report complying with NZSX Listing Rule 1.7.1.
<b>Compulsory Acquisition Provisions</b>	means provisions in the Constitution of an Issuer complying with Rules 4.8.1 to 4.8.6 inclusive.
<b>Default</b>	means a person with a Relevant Interest in Quoted Equity Securities of an NZAX Issuer who has acquired that Relevant Interest in breach of Notice and Pause Provisions or Minority Veto Provisions (other than a breach committed by the NZAX Issuer itself or its Directors)
<b>Defaulter</b>	means a person with a Relevant Interest in Quoted Equity Securities of an Issuer who has acquired that Relevant Interest in breach of Notice and Pause Provisions or Minority Veto Provisions (other than a breach committed by the Issuer itself or its Directors).
<b>Director</b>	includes in relation to an Issuer that is a Managed Fund a Director of the Manager.
<b>Differential Offer</b>	<p>means an offer, or invitation to agree on Transfers, which:</p> <ul style="list-style-type: none"> <li>(a) is made to some but not all holders of a Class of Equity Securities;</li> <li>(b) would result in different prices or other terms applying among holders of the same Class of Equity Securities; or</li> <li>(c) would result in the Transfer of different proportions of those portions of holdings of Equity Securities of the same Class which are offered for disposal.</li> </ul>
<b>Enforcement Provisions</b>	means provisions in the Constitution of an Issuer complying with Rules 4.7.1 to 4.7.7 inclusive and Rule 4.9.
<b>Insider</b>	<p>means in respect of an NZAX Issuer:</p> <ul style="list-style-type: none"> <li>(a) Directors or Associated Persons of Directors;</li> </ul>

	(b) persons who hold Material Information of the Issuer which has not been disclosed to the market.
<b>Majority Holder</b>	has the meaning given in Rule 4.8.1.
<b>Minority Veto Provisions</b>	has the meaning given in Rule 4.6.1.
<b>Notice and Pause Provisions</b>	has the meaning given in Rule 4.5.1
<b>Relevant Group</b>	<p>in respect of an Issuer means each of the groups comprising;</p> <p>(a) holders of Securities who are Members of the Public; and</p> <p>(b) holders of Securities who are not Members of the Public;</p> <p>in each Class of Quoted Equity Securities of that Issuer the rights of which are governed by the Constitution of that Issuer.</p>
<b>Remaining Holders</b>	has the meaning given in Rule 4.8.1
<b>Restricted Transfer</b>	<p>means:</p> <p>(a) the Transfer which would result in the Votes controlled by any person or group of persons who are Associated Persons of each other, of any Class of Quoted Equity Securities of an Issuer:</p> <p>(i) exceeding 20% of the Votes attached to that Class; or;</p> <p>(ii) if the person or group of persons controls 20% or more of the Votes attached to that Class, increasing by more than 5% in any period of 12 months excluding increases as a result of Transfers pursuant to a Restricted Transfer notice previously given by the person or group of persons; together with</p> <p>(b) any other Transfer which is likely to be contemporaneous with, or subsequent to, the Transfer in sub-paragraph (a) of</p>



this definition and comprises with that Transfer part of a scheme or linked series of transactions:

Provided that for the purposes of this definition acquisition of interests in Equity Securities of an Issuer may be disregarded:

- (a) where it is determined by NZX that the acquisition was involuntary and occasioned by the action of another party over which the acquiring party had no effective control or influence in the matter; or
- (b) where, and to the extent that, it is determined by NZX that the aggregation of holdings among Associated Persons would include holdings of persons who have no practical likelihood of acting in concert, or exercising Votes or otherwise acting in collusion, with each other or any common party:

Provided also that this definition shall not apply:

- (a) where the Transfer is between two entities, one of which is directly or indirectly wholly owned beneficially by the other, or both of which are directly or indirectly wholly owned beneficially by the same entity; or
- (b) where the Transfer is in performance of the obligations of an underwriter pursuant to an underwriting agreement disclosed in a registered Prospectus for an offering of the relevant Class of Quoted Equity Securities.

**Special Resolution**

means a resolution passed by a majority of 75% of Votes of holders of Equity Securities entitled to vote and voting

**Transfer**

in relation to an Equity Security includes sale of that Security, and the grant of rights or interests, whether conditional or not, which are intended to create for the recipient benefits which are substantially equivalent to ownership of that Security (or of an interest in

that Security). In particular it includes:

- (a) a transaction whereby one party disposes of, alienates, or proposes to dispose of or alienate (temporarily or permanently), any interest or right of title to any Equity Security or in the Votes, dividends or income arising in respect of any Equity Security;
- (b) any agreement arrangement or understanding in respect of Equity Securities under which the Votes attaching to them may be exercised by a person other than the registered holder, alone or jointly with the registered holder, or with other persons acting in concert, other than by reason of a bona fide appointment of a proxy or other representative for voting purposes under which the appointment may be terminated at will, and the appointor is entitled, if the appointor so wishes, to direct the proxy as to the manner in which Votes are to be cast;
- (c) any transaction whereby the holder of the Equity Securities enters into a commitment (whether conditional or unconditional) to sell the Equity Securities, or to grant an option over them or any part thereof, or at any future time to grant any of the rights referred to above;
- (d) the creation of a charge or other security interest enforceable by a right of possession or a power of sale or other disposition which would fall within other parts of this definition of "Transfer", other than the creation of such an interest for bona fide financing purposes; or
- (e) any transaction, agreement or arrangement that has substantially the same effect as (a), (b), (c) or (d) above,

but excludes the issue, or acquisition, of Equity Securities by the Issuer in accordance with the Rules.

**Transferor and Transferee**

have corresponding meanings.

4.1.2 Nothing in this section 4 shall apply in respect of any NZAX Issuer which is a Code Company.

## **4.2 Restricted and Defensive Measures**

4.2.1 Except as permitted or required by Rule 4.3 no NZAX Issuer may:

- (a) include in its Constitution any provision; or
- (b) do anything or omit to do anything;

which would have the effect of causing or permitting an outcome or condition described in Rule 4.2.2.

4.2.2 An outcome or condition is prohibited for the purposes of Rule 4.2.1 if:

- (a) registration of any transfer of a Quoted Equity Security is prevented or restricted, or made subject to a precondition, other than as permitted by section 11; or
- (b) the enjoyment by a new holder of any benefit or right conferred by the Issuer on the holder of a Quoted Equity Security, is conditional on anything other than registration of the relevant transfer; or
- (c) any benefit or right conferred by the Issuer on the holder of a Quoted Equity Security is cancelled or varied or made contingent by reason of a Transfer of that Quoted Equity Security; or
- (d) any Quoted Equity Security may be redeemed, cancelled, made forfeit, disposed of or otherwise dealt with, by reason of a Transfer of that or any other Quoted Equity Security without the consent of the holder, other than as permitted by Rules 8.2 and 8.5; or
- (e) any benefit or right conferred by the Issuer on the holder of a Security is enhanced, extended, or crystallises or attaches by reason of a Transfer of a Quoted Equity Security; or
- (f) any material benefit, right or asset of the Issuer terminates or is disposed of or is made contingent or the subject of a third party option by reason of a Transfer of a Quoted Equity Security of the Issuer; or
- (g) any material liability or obligation of the Issuer crystallises or arises or can be made due and payable before its normal maturity by a third party by reason of a Transfer of a Quoted Equity Security of the NZAX Issuer.

Nothing in this Rule limits any rule of law, whether relating to the

duties of Directors or otherwise.

- 4.2.3 Notwithstanding Rule 4.2.1 an NZAX Issuer may enter into an agreement which may have one or more of the effects specified in Rule 4.2.2(f) or (g) if that agreement is entered into with a person who is not a Related Party (as defined in Rule 9.2.3) of the Issuer and if, in approving the entry into of that agreement, the Directors of the Issuer act in good faith in the best interests of the NZAX Issuer, and not with the intention of restricting or preventing Transfers of Securities of the Issuer.

### **4.3 Constitutional Provisions**

- 4.3.1 The Constitution of each NZAX Issuer shall contain or incorporate by reference:

- (a) Notice and Pause Provisions (which may be modified in accordance with Rule 4.4.2);
- (b) Enforcement Provisions; and
- (c) Compulsory Acquisition Provisions.

- 4.3.2 The Constitution of an Issuer may (subject to Rule 4.4.1) contain or incorporate by reference Minority Veto Provisions.

- 4.3.3 Each Issuer the Constitution of which:

- (a) contains or incorporates by reference Minority Veto Provisions; or
- (b) contains or incorporates by reference provisions modified in accordance with Rule 4.4.2,

shall, in any report to holders of its Quoted Equity Securities, in any Offering Document relating to its Quoted Equity Securities, and otherwise to any person who requests in writing, clearly disclose that fact.

- 4.3.4 An NZAX Issuer shall provide, to any person who requests in writing, a copy of the provisions of its Constitution which deal with the matters dealt with in this section 4.

- 4.3.5 An NZAX Issuer the Constitution of which contains or incorporates by reference Minority Veto Provisions or the Constitution of which contains or incorporates by reference provisions modified in accordance with Rule 4.4.2 shall, with the copy of the relevant provisions of its Constitution to be provided on request under Rule 4.3.4, supply also a summary and explanation of those provisions in the form previously approved by NZX.

**4.4 Adoption and Modification Provisions**

- 4.4.1 An NZAX Issuer shall not include Minority Veto Provisions in its Constitution unless:
- (a) those provisions are approved by a Special Resolution of each Relevant Group; or
  - (b) those provisions are included in the Constitution of the Issuer at the time at which Equity Securities of the Issuer are first Quoted.
- 4.4.2 An NZAX Issuer may modify Notice and Pause Provisions in its Constitution so that those provisions apply only to Restricted Transfers in which the Transferees are Insiders. An Issuer shall not do so unless:
- (a) that modification is approved by a Special Resolution of each Relevant Group; or
  - (b) that modification is included in the Constitution of the NZAX Issuer at the time at which Equity Securities of the Issuer are first Quoted.
- 4.4.3 An NZAX Issuer may delete Minority Veto Provisions from its Constitution, or cancel any modification to Notice and Pause Provisions in terms of Rule 4.4.2 (so that the Notice and Pause Provisions apply to all Restricted Transfers) only with the approval of a Special Resolution of each Relevant Group.
- 4.4.4 The Constitution of each NZAX Issuer shall contain or incorporate by reference provisions governing the calling of meetings for the purposes of Rules 4.4.1, 4.4.2, and 4.4.3. The Constitution may provide that, for the purposes of voting by Relevant Groups for the purposes of those Rules, one meeting may be held of holders constituting both Relevant Groups, so long as voting is by way of poll, and proper arrangements are made to distinguish between the Votes of members of the different Relevant Groups.

In respect of the contents of a notice of meeting for the purposes of Rules 4.4.1 to 4.4.3, see Rules 6.2.3 and 6.2.4.

- 4.4.5 The Directors of an NZAX Issuer may at any time, and shall upon receipt of a request of the nature referred to in the next sentence, submit for the consideration of the holders of Securities of the Issuer a change to the Constitution to include or exclude Minority Veto Provisions, to modify the Constitution in accordance with Rule 4.4.2, or to cancel any such modification. A request to the Directors shall:
- (a) be in writing, and be signed by or on behalf of the holders of

Quoted Equity Securities of the Issuer carrying 5% or more of the Votes attaching to all Quoted Equity Securities of the Issuer; and

- (b) specify in general terms the change to the Constitution which is proposed.

4.4.6 If the Directors wish, or are required in accordance with Rule 4.4.5, to submit for consideration a change to the Constitution of the Issuer, the Directors shall without delay:

- (a) cause draft amendments to the Constitution to be prepared, and approved by NZX in accordance with Rule 6.1; and
- (b) cause those amendments to be submitted for the approval by Special Resolutions of the Relevant Groups, and by such other resolutions as may be necessary to effect an amendment to the Constitution of the Issuer.

#### **4.5 Notice and Pause Provisions**

4.5.1 Notice and Pause Provisions are the provisions set out in Rules 4.5.2 to 4.5.9 inclusive.

4.5.2 No Restricted Transfer of Quoted Equity Securities shall take place unless notice is given to the NZAX Issuer, and to NZX in a manner complying with Rule 10.2.3 for release to the market, not later than the time specified in Rule 4.5.3, containing the following particulars:

- (a) the price or consideration, either specified as a fixed amount or expressed as a range with the higher price or consideration being not greater than 20% more than the lower price or consideration of that range;
- (b) any conditions or arrangements directly or indirectly associated with the Transfer which could be material to the assessment of the price or price range by prospective Transferors of the Equity Securities;
- (c) identification of the Class, and the maximum number of Securities and percentage of the relevant Class, to which the Transfer proposal relates;
- (d) the identity of all persons reasonably expected to acquire Relevant Interests in the Equity Securities as a result of the Transfer proposal;
- (e) the number of Equity Securities (expressed in each case as a percentage of the total number in each relevant Class of Securities) which will be held, or in which Relevant Interests will be held, upon completion of the proposed transactions, by

each Transferee and Associated Persons of each Transferee;

- (f) the times within which the Transfers are intended to occur;
- (g) how the Transfers are to be effected (for example, through NZX's order matching market, by widespread direct offer, private treaty, etc);
- (h) the date the notice is given.

4.5.3 Each notice referred to in 4.5.2 shall be given:

- (a) if any Transferee under the Transfer in question is an Insider, at least 15 Business Days before the Transfer; or
- (b) if no Transferee is an Insider, and subject to Rule 4.5.5, at least three Business Days before the Transfer.

“Transfer” includes entering into any agreement or commitment concerning the sale of Equity Securities. Refer to the full definition in Rule 4.1.1.

4.5.4 Any change in, or addition to, particulars notified under Rule 4.5.2 shall be made by giving a notice of change. Each such notice shall be given:

- (a) if any Transferee under the Transfer in question is an Insider, at least two Business Days before the change takes effect in the case of a change to price or amount of consideration, and at least 15 Business Days before the change takes effect in the case of a change to any other particulars listed in 4.5.2, including without limitation the nature of the consideration; or
- (b) if no Transferee is an Insider, and subject to Rule 4.5.5, at least one Business Day before the change takes effect in the case of a change to price or amount of consideration, and at least three Business Days before the change takes effect in the case of a change to any other particulars listed in Rule 4.5.2, including without limitation the nature of the consideration.

4.5.5 If:

- (a) a Restricted Transfer is effected solely by trades matched through NZX's order matching market;
- (b) no Transferee is an Insider; and
- (c) the conditions specified in the next sentence are satisfied,

then the period of notice referred to in Rule 4.5.3(b) shall be one Business Day, and the periods of notice referred to in Rule 4.5.4(b) shall be two hours during which NZX is open for business, and one Business Day, respectively. The conditions referred to above are:

- (a) before notice is given, the Trading Participant instructed to make the offers must be satisfied that the entire offer in the notice has been the subject of instructions accepted by Trading Participants;
- (b) the consideration must be readily capable of settlement through the Settlement System;
- (c) the Transferee must have previously undertaken to the Trading Participant through whom its orders are placed, for the benefit of holders of the relevant Securities, to complete the transaction in accordance with the notice given, if offers or acceptances are sufficient to enable it to do so;
- (d) the instructions must be in terms that orders will be matched and completed by NZX's order matching system even if the entire offer is not accepted completely; and
- (e) the period during which transactions will be effected does not end before one Business Day after it begins or until Transfers have been agreed to complete the maximum number of Securities to which the Transfer proposal relates, whichever is the earlier.

4.5.6 Directors of an Issuer whose Quoted Equity Securities are the subject of a notice under Rule 4.5.2 shall give notice as soon as can be achieved, and before the expiry of the notice periods referred to in Rule 4.5.3 or 4.5.5:

- (a) whether any Director or Associated Person of a Director is expected by any Director to be a Transferee in the notified transaction;
- (b) whether there is any Material Information pertaining to the Issuer which any Director believes is likely to be available to any Transferee in the proposed transaction, which has not been made generally available to the market;
- (c) whether any Director considers there is any undisclosed Material Information which should materially affect the decision of a reasonably informed prospective Transferor in the proposed Transfer and, if so, an indication whether the Director would consider the Transfer to be made more or less desirable to the prospective Transferor by the Material Information; and



- (d) a statement as to the timing, and expected significance of any further action, investigation, report, or disclosure which the Directors or any of them, intend to make in response to the relevant proposals for Transfers.

These obligations (and others on directors in this section) recognise that boards commonly divide these matters into:

- (a) the Directors perceived to have a conflict of interest in relation to an offer; and
- (b) those who can be seen to be affected only by concern for the best interests of the Issuer and shareholders not connected with the offeror.

4.5.7 The Directors of an NZAX Issuer whose Quoted Equity Securities are the subject of a notice under Rule 4.5.2, or who become aware that a Restricted Transfer proposal is more likely than not in the immediate future, shall:

- (a) take all steps necessary to ensure that they and the Issuer are in a position to respond to the offer as required by these Rules, including under Rule 10.1;
- (b) not be relieved of their disclosure obligations under these Rules by reason of a conflict of interest arising from involvement as or with a prospective Transferee or Transferor, but such Directors shall disclose in any notice or statement the nature of their possible conflict;
- (c) in the case of a conflict of interest or of views as to how to proceed, if necessary release separate statements or notices to inform NZX promptly, with appropriate explanation; and
- (d) ensure that holders of the relevant Equity Securities are well informed to consider competitive offers for the control of Votes attached to the Equity Securities where there is any reasonable prospect of competition emerging to the completion of a Restricted Transfer proposal.

4.5.8 If any Transferee under a Restricted Transfer is an Insider, then (subject to Rule 4.5.9) the Directors shall, forthwith upon a notice being given under Rule 4.5.2 in respect of that Restricted Transfer or notice being given under Rule 4.5.4 in respect of that Restricted Transfer where the change relates to a change in the nature of the consideration offered, commission an Appraisal Report in respect of that Restricted Transfer. That report may contain such reasonable qualifications and limitations as are needed to recognise the deadlines within which it is required to be produced. That report shall:

- (a) be delivered to NZX for release to the market at least two Business Days before expiration of the relevant notice,

accompanied by a summary (approved by the reporter) suitable for release to the market; and

- (b) be copied to the Issuer and to any holder of Quoted Equity Securities of the Issuer upon request; and
- (c) be dispatched to all holders of Securities to whom the offer may be made at least three Business Days before the expiration of the relevant notice.

4.5.9 The requirement for an Appraisal Report in Rule 4.5.8 shall not apply if:

- (a) all Transferors consent to waive the requirement; or
- (b) a majority of the Disinterested Directors certify that in their opinion the cost and difficulty of providing the Appraisal Report will outweigh the benefit, because prospective Transferors are not at an information disadvantage in relation to prospective Transferees and their Associated Persons or because the Appraisal Report would not materially remedy any such information prejudice; and

For the purposes of this Rule, “Disinterested Directors” means Directors who are not involved as prospective Transferors (in relation to a proposal for a Differential Offer) or as Transferees, and who are not Associated Persons of any such Transferors or Transferees.

4.5.10 If a Restricted Transfer is not completed within three months of the notice required to be given under Rule 4.5.2, or any status report given under this Rule 4.5.10 then, before continuing with the Restricted Transfer, additional market information on the status of the Restricted Transfer must be provided to the Issuer and NZX in a manner complying with Rule 10.2.3 for release to the market. The additional market information shall include:

- (a) when the Restricted Transfer is intended to be completed; and
- (b) details of the Transfer(s) that comprise the Restricted Transfer which have not been completed.

4.5.11 On receipt of the information provided under Rule 4.5.10, the Directors of the Issuer shall promptly advise NZX:

- (a) of any change in circumstances (and the implications of the change) which would affect the continuing relevance and currency of any Appraisal Report or the response initially provided under Rule 4.5.6; and

- (b) that the Issuer is complying with Rule 10.1.

#### **4.6 Minority Veto Provisions**

##### 4.6.1 Minority Veto Provisions are:

- (a) Notice and Pause Provisions not modified as permitted by Rule 4.4.2, but modified so that:
  - (i) the notice period referred to in Rule 4.5.3(b) is 15 Business Days;
  - (ii) the notice periods referred to in Rule 4.5.4(b) are two Business Days and 15 Business Days respectively; and
  - (iii) the notice periods referred to in Rule 4.5.5 are five Business Days, two Business Days, and five Business Days respectively; and
- (b) the further provisions set out in Rules 4.6.2 and 4.6.3.

##### 4.6.2 Except with the sanction of resolutions passed by a simple majority of Votes of each Affected Group:

- (a) all Transfers involved in a Restricted Transfer shall be pursuant to:
  - (i) an offer in writing to all holders of Equity Securities of any Class which is the subject of the proposed Restricted Transfer, on the same terms; or
  - (ii) orders placed through a Trading Participant for execution in and through NZX's order matching market and in accordance with the requirements of Rule 4.5.5; and
- (b) the Transfers must not result from Differential Offers, other than differences which arise from a change in the price of an on-market offer authorised under (a)(ii).

##### 4.6.3 Upon the giving of a notice under Rule 4.5.2, (but not if that notice is given in respect of a Transfer complying with Rule 4.5.5) or a notice under Rule 4.5.4 where the change relates to a change in the nature of the consideration offered the Directors shall commission a report from an independent appropriately qualified person previously approved by NZX. That report shall:

- (a) be addressed to the holders of Securities of the Class or Classes the subject of the Restricted Transfer referred to in the notice;
- (b) express the opinion of the reporter as to the consideration

and other terms of the proposed transaction; and

- (c) comply with the provisions of NZSXListing Rule 1.2.2(e), (f), (g) and (h) as if that report were an Appraisal Report.

The provisions of Rule 4.5.8 (a), (b) and (c) shall apply to the report as if it were an Appraisal Report required by that Rule.

#### **4.7 Enforcement Provisions**

4.7.1 An Issuer may, following a Default, exercise a power described in Rule 4.7.2(a) or (b) in respect of all or any Quoted Equity Securities in which the Defaulter has a Relevant Interest (“Defaulter’s Securities”).

4.7.2 In the event of a Default:

- (a) no Vote may be cast on a poll, and if it is cast shall be disregarded, on Defaulter’s Securities while the Default is unremedied;
- (b) a Defaulter’s Securities may be sold by the Issuer. This power may not be exercised until one month after the Issuer has given notice to the Defaulter of its intention to exercise this power. It shall not be exercised if, during that month:
  - (i) the Defaulter has remedied the Default (where it can be remedied); or
  - (ii) the Defaulter has transferred its Relevant Interest in the Securities to a person who is not a Defaulter.

If the power to sell is exercised, the Issuer shall sell the Defaulter’s Securities through NZX, or in some other manner approved by NZX, and shall account to the holder of those Securities for the proceeds of sale after deduction of all sale expenses. The Issuer shall be deemed to be authorised to take all steps, and sign all documents, necessary to effect the sale of the Defaulter’s Securities.

- (c) neither the Issuer nor its Directors shall be liable to a Defaulter or apparent Defaulter for or in connection with the exercise or purported exercise of the powers permitted by this Rule 4.7;
- (d) the Issuer shall have a lien on the Defaulter’s Securities for, and deduct from the proceeds of sale pursuant to Rule 4.7.2(b), any costs to the Issuer of determining whether a person is a Defaulter and exercising powers permitted by this Rule 4.7;
- (e) the Issuer may treat as its costs for the purposes of

paragraph 4.7.2(d) preceding, reimbursement by it of expenses of members of any Affected Group acting pursuant to Rule 4.7.3; and

- (f) if NZX makes a Ruling dealing with the matters dealt with by this section 4, or with provisions of the Constitution of the Issuer required or permitted by this section 4, that Ruling shall be binding upon the Issuer and all holders of Securities of the Issuer, and shall take effect as if that Ruling were itself incorporated in the Constitution.

4.7.3 The NZAX Issuer shall, if so directed by a resolution of an Affected Group (passed by a simple majority of Votes), exercise the power referred to in Rule 4.7.2(b), if that power has become exercisable. The holders of 5% or more of the Securities of an Affected Group may by notice to the NZAX Issuer require the Directors of the Issuer to convene a meeting of the Affected Group for the purpose of considering such a resolution.

4.7.4 An NZAX Issuer shall use reasonable endeavours to ascertain for the purposes of Rule 4.7.2(a) whether any Securities are Defaulter's Securities, and accordingly whether a holder of those Securities is entitled to vote. If any holder of Securities of the NZAX Issuer, or NZX, alleges that any Securities are Defaulter's Securities, the Issuer shall properly consider and investigate that allegation.

4.7.5 The ruling of the chairperson of any meeting as to whether any holder of Securities is or is not entitled to vote at that meeting pursuant to Rule 4.7.2(a) shall, for the purposes of proceedings at that meeting, be conclusive, and the proceedings of, or any resolution passed at, any meeting shall not be impugned by reason of a breach of Rule 4.7.2(a). This Rule shall not prejudice any action which any person may have against the holder of any Securities by reason of that holder having cast a Vote at any meeting in breach of Rule 4.7.2(a).

4.7.6 Subject to Rule 4.7.7, the sole remedy of an NZAX Issuer, a holder of Securities of an Issuer, a Director of an Issuer, or any other person, in respect of a breach or alleged breach of this section 4, or of provisions in the Constitution of an Issuer required or permitted by this section 4, shall be to exercise, or require the Directors of the Issuer to exercise, the powers referred to in Rule 4.7.2(a) and (b). Without limiting the preceding sentence, no person shall be entitled to seek any injunction or other remedy to prevent a transaction alleged to be in breach of the provisions referred to in that sentence.

4.7.7 Nothing in Rule 4.7.6 shall affect the remedies of a holder of Securities of an Issuer against the Directors of that NZAX Issuer in respect of a breach of this section 4, or the provisions of the

Constitution referred to in Rule 4.7.6, by that Director.

4.7.8 NZX (in this Rule 4.7.8 an “Arbiter”) may, for the purposes of making a Ruling as to whether any person is a Defaulter, give notice to any person who the Arbiter believes may be a Defaulter. That notice shall:

- (a) set out in general terms the grounds on which the Arbiter believes that person to be a Defaulter; and
- (b) require that person, within a reasonable time specified in the notice, to produce evidence to rebut the Arbiter’s belief that that person is a Defaulter.

If the person to whom the notice is given fails within the time specified in the notice to produce to the Arbiter evidence satisfactory to the Arbiter that that person is not a Defaulter, then the Arbiter shall be entitled to assume without further evidence that that person is a Defaulter, and to make a Ruling to that effect.

Rulings will take effect as if part of the Constitution. See Rule 4.7.2(f).

#### **4.8 Compulsory Acquisition Provisions**

4.8.1 If a person, or a group of Associated Persons, acquires beneficial ownership of 90% or more of a Class of Quoted Equity Securities of an NZAX Issuer, that person or group of persons (the “Majority Holder”) shall, within 20 Business Days after that circumstance arises, give notice (the “Acquisition Notice”) to all other holders (the “Remaining Holders”) of Securities of that Class (“Affected Securities”) and at the same time to the Issuer and NZX:

- (a) Provided that when calculating the total number of Quoted Equity Securities in that Class, Treasury Stock shall not be regarded as part of that Class.

4.8.2 The Acquisition Notice shall specify:

- (a) that the Majority Holder has beneficial ownership of 90% or more of the Affected Securities;
- (b) either:
  - (i) that the Majority Holder intends to acquire all Affected Securities held by the Remaining Holders; or
  - (ii) that any Remaining Holder may require the Majority Holder to acquire the Affected Securities held by that Remaining Holder by giving notice to that effect to the Majority Holder within one month after the date of the Acquisition Notice; and

- (c) the consideration to be provided by the Majority Holder for Affected Securities.

4.8.3 Upon giving an Acquisition Notice, the Majority Holder shall be entitled and bound:

- (a) if the Acquisition Notice contains the statement in Rule 4.8.2(b)(i), to acquire all Affected Securities held by the Remaining Holders; or
- (b) if the Acquisition Notice contains the statement in Rule 4.8.2(b)(ii), to acquire all Affected Securities held by Remaining Holders in respect of which the holder, within one month after the date of the Acquisition Notice, gives notice requiring the Majority Holder to acquire.

4.8.4 The consideration to be provided for Affected Securities which the Majority Holder is entitled and bound to acquire shall be determined as follows:

- (a) the Acquisition Notice shall specify the consideration which the Majority Holder is prepared to provide. The Majority Holder shall, before giving the Acquisition Notice, provide to NZX a report from an independent appropriately qualified person, previously approved by NZX, confirming that that consideration is fair to the Remaining Holders, using the same criteria set out in paragraph (c)(iv) of this Rule;
- (b) if, within 10 Business Days after the date of the Acquisition Notice, the Issuer receives written objections to the consideration specified in the Acquisition Notice from the holders of 10% or more of the Affected Securities held by the Remaining Holders, then the consideration shall be determined in accordance with (c) and (d). If objections are received, the Issuer shall forthwith notify the Majority Holder and NZX of that fact. If such objections are not received, the consideration shall be as specified in the Acquisition Notice;
- (c) if objections of the nature referred to in (b) are received by the Issuer the consideration shall be determined by an independent appropriately qualified person. That person shall:
  - (i) be a different person from the person referred to in (a); and
  - (ii) act as an expert and not as an arbitrator; and
  - (iii) be directed to provide a decision within 20 Business Days after his or her appointment; and
  - (iv) be directed to determine the consideration on the basis

that it is fair to the Remaining Holders and is the pro-rated value of the Affected Securities based on the value of the Issuer as a whole and the rights and obligations attached to those Securities without taking into account any strategic or hold out value of the Affected Securities or any other factors relating to the Remaining Holders, the Majority Holder, their respective holdings in the Issuer or the relative extent of those holdings; and

- (v) be appointed by the disinterested Directors (as defined in Rule 4.5.9) of the Issuer (if any, and otherwise by the Directors of the Issuer) after approval by NZX;
- (d) if the consideration determined by the person appointed in accordance with (c):
  - (i) is less than, or the same as, the consideration specified in the Acquisition Notice, the fee and expenses of that person shall be borne by the Remaining Holders who made the objections referred to in (b);
  - (ii) is more than the consideration specified in the Acquisition Notice, the fee and expenses of that person shall be borne by the Majority Holder.

If the fee and expenses of that person is to be borne by the objectors in terms of (i), the Majority Holder shall deduct that amount from the consideration payable by the Majority Holder to the objectors, in proportion to their holdings (and may, if the consideration is not cash, deduct and sell sufficient of that consideration to produce sufficient cash).

As to the approval of a person for the purposes of Rule 4.8.4(a) or (c), see the note to NZSX Listing Rule 1.8.

4.8.5 If a Majority Holder fails to give an Acquisition Notice, or, after having become bound to acquire the Affected Securities of Remaining Holders in accordance with the provisions of this Rule 4.8, fails to do so, then the provisions of Rules 4.7.1 to 4.7.5 shall apply with the following modifications:

- (a) the Affected Securities held by the Majority Holder shall be deemed to be Defaulter's Securities;
- (b) the failure to comply with this Rule 4.8 shall be deemed to be a Default; and
- (c) the Remaining Holders shall be deemed to be an Affected Group.

4.8.6 The Constitution shall also contain provisions:



- (a) providing for the payment or provision of consideration to each Remaining Holder within 12 Business Days after the Majority Holder becomes bound to acquire the Affected Securities of that Remaining Holder, or if consideration requires to be determined pursuant to Rule 4.8.4, within 2 Business Days after the consideration is determined;
- (b) providing for the consideration payable to Remaining Holders who cannot be found to be held in trust for those holders for at least five years; and
- (c) providing for the Issuer, upon payment or provision of the consideration, to execute transfers on behalf of the Remaining Holders, and to take all other steps necessary to transfer to the Majority Holder the Affected Securities of the Remaining Holders.

#### **4.9 Holding By Bare Trustee**

4.9.1 For all purposes of this section 4, and notwithstanding anything in this section 4:

- (a) the Transfer of Quoted Equity Securities, or of any interest in Quoted Equity Securities, to a bare trustee shall be deemed to be a Transfer to the person or persons for whom that bare trustee holds those Securities or that interest as trustee (the “Beneficial Owners”);
- (b) Quoted Equity Securities, or any interest in Quoted Equity Securities, held by a bare trustee shall be deemed to be held by the Beneficial Owners; and
- (c) a trustee may be a bare trustee notwithstanding that that trustee is entitled as a trustee to be remunerated out of the income or property of the relevant trust.

4.9.2 Without limiting Rule 4.9.1:

- (a) a bare trustee and a Beneficial Owner shall not, by reason solely of their relationship as bare trustee and Beneficial Owner, be Associated Persons;
- (b) a bare trustee of Quoted Equity Securities shall not, solely by reason of its position as bare trustee for the Beneficial Owner, have a Relevant Interest in those Quoted Equity Securities; and
- (c) a Beneficial Owner of Quoted Equity Securities shall not have a Relevant Interest in the Quoted Equity Securities of another Beneficial Owner solely because the same bare trustee acts as trustee for both of those Beneficial Owners.

4.9.3 In the event of a Default, if any Quoted Equity Securities held by a person as bare trustee on behalf of different Beneficial Owners include any Defaulter's Securities:

- (a) the bare trustee shall, on request by the Issuer or NZX, provide to the Issuer and NZX details of the Beneficial Owners of those Defaulter's Securities; and
- (b) the Issuer may at any time, and shall upon request by the bare trustee or any Beneficial Owner, take appropriate steps to ensure that those Defaulter's Securities are separately designated in the register recording those Quoted Equity Securities.

## NZAX Listing Rules

### Section 5: Listing

5

#### 5.1 Application

5.1.1 Any person may apply to NZX for Listing regardless of whether or not that person is domiciled or incorporated outside New Zealand. Such Listing may be either:

- (a) with NZX as the Home Exchange;
- (b) a Dual Listed NZAX Issuer; or
- (c) with a Recognised Stock Exchange as the Home Exchange, if that person is domiciled or incorporated outside New Zealand and Listed on a Recognised Stock Exchange (an "Overseas Listed NZAX Issuer").

5.1.2 An Applicant for Listing on the NZAX must appoint an NZX Sponsor. The NZX Sponsor must have the prior approval of NZX to act as an NZX Sponsor in relation to that Listing.

5.1.3 Non Standard NZAX Issuers:

- (a) An Applicant for Listing on the NZAX which:
  - (i) has a defined or limited set of Security holders; or
  - (ii) imposes restrictions or limitations on the ability of certain holders of its Securities to vote,

may apply to NZX for Listing as a Non Standard NZAX Issuer or NZX may determine the Applicant shall only be Listed as a Non Standard NZAX Issuer.

- (b) where an NZAX Issuer has been classified as Non Standard, the Rules will only apply to those Securities of the Non Standard NZAX Issuer which are Quoted on the NZAX and as otherwise set out elsewhere in these Rules.
- (c) any Offering Document, Disclosure Document or statement issued or distributed by a Non Standard NZAX Issuer which refers in any way to the Listing of the Non Standard NZAX Issuer or Quotation of its Securities and each annual or interim report of the Non Standard NZAX Issuer, shall contain a statement to the effect that the NZAX Issuer has been classified Non Standard and where necessary details reasonably likely to inform the recipients of the reasons for the Non Standard designation.

- (d) Non Standard NZAX Issuers must provide to NZX prior to Listing on the NZAX Market, a complete list of the Common Shareholder Numbers for all those eligible to hold Securities in that Non Standard NZAX Issuer.
- (e) Non Standard NZAX Issuers must provide to NZX on a daily basis, either prior to 8am or after 5pm, all additions or deletions to the list of Common Shareholder Numbers for all its eligible Security Holders, provided to NZX prior to Listing.

5.1.4 The date upon which Listing takes effect shall be the date specified as such by NZX in a notice published by NZX advising that the applicant has been Listed.

5.1.5 The Rules set out in Appendix 8 to the Rules do not apply to a Dual Listed NZAX Issuer, provided always that:

- (a) that Dual Listed NZAX Issuer satisfies and complies at all times with any conditions set out in Appendix 8 to the Rules regarding the non-application of those Rules; and
- (b) that Dual Listed NZAX Issuer complies at all times with the ASX Listing Rules (subject to any applicable waiver or ruling obtained by that Dual Listed NZAX Issuer from the ASX) and the Australian Corporations Act 2001 (Cth).

Notwithstanding the foregoing, NZX may at any time or times, by notice to a Dual Listed NZAX Issuer, declare that any Rule set out in Appendix 8 to the Rules shall thereafter apply to that Dual Listed NZAX Issuer, whether or not the ASX Listing Rules or Corporations Act 2001 (Cth) contain a similar or analogous provision and whether or not that Dual Listed NZAX Issuer is then complying with any such provision.

5.1.6 A Dual Listed NZAX Issuer must provide NZX with notice of:

- (a) all waivers and/or rulings granted or revoked by the ASX in respect of that Dual Listed NZAX Issuer from the ASX Listing Rules and the terms of such waivers and/or rulings or revocation of such waivers and/or rulings; and
- (b) any variation to the ASX Listing Rules or Corporations Act 2001 (Cth) made after the date on which that Dual Listed NZAX Issuer lists on an NZX market other than those which could not, in any circumstances, be relevant to that Dual Listed NZAX Issuer. For avoidance of doubt, if a Dual Listed NZAX Issuer is unsure whether such change could or may affect that Dual Listed NZAX Issuer, notice of such change should be given to NZX.

5.1.7 An Overseas Listed NZAX Issuer shall:

- (a) be deemed (subject to Rule 5.1.8) to satisfy and comply with all the Rules so long as it remains Listed on its Home Exchange, provided that NZX may, at any time, by notice to any Overseas Listed NZAX Issuer, declare that any of the Rules shall thereafter apply to that NZAX Issuer, whether or not the rules of its Home Exchange contain a similar or analogous provision, and whether or not that NZAX Issuer is then complying with any such provision; and
- (b) if application has been made to NZX for a Class or Classes of its Securities quoted on its Home Exchange to be Quoted on NZX, be deemed to satisfy and comply with all of the Rules for so long as those Securities remain Quoted on its Home Exchange; and
- (c) give to NZX the same information and notices it is required to give to its Home Exchange, at the same time as it is required to give such information and notices to its Home Exchange.

5.1.8 Notwithstanding Rule 5.1.7, NZAX Listing Rules Section 3, 5.1.7, 5.3, 5.4 and 5.5.3, and this Rule 5.1.8 shall apply, with the necessary modifications, to each Overseas Listed NZAX Issuer.

1. The intention of Rules 5.1.7 and 5.1.8 is that a company or other entity which is Listed on a Recognised Overseas Stock Exchange, and is accepted by NZX for Listing on the NZAX as well, is not required to comply with the Rules, so long as that company or other entity complies with the rules of the Recognised Overseas Stock Exchange. NZX may however in its discretion at any time require that company or other entity to comply with any provisions of the Rules.
2. Where an Overseas Listed NZAX Issuer wishes to quote a class of Securities on the NZAX only but not on its Home Exchange, all the Rules shall apply in relation to that Overseas Listed NZAX Issuer.
3. As a general rule, NZX will cancel the Listing of an Overseas Listed NZAX Issuer if the Listing of that NZAX Issuer is cancelled on its Home Exchange, and will suspend Quotation of, or halt trading of all or a Class of Securities if Quotation of all or that Class of Securities is suspended on the Home Exchange of that Overseas Listed NZAX Issuer.

5.1.9 The Application for Listing must be made through an NZX Sponsor and the following information and documentation must

be submitted to NZX for approval:

- (a) the Offering Document (in accordance with Rule 7.1.1) or the Disclosure Document (in accordance with Rule 7.1.3) for approval by NZX; and
- (b) in the case of an Offering Document, the financial statements and audit report required by the Securities Act (New Zealand Exchange Limited – NZAX Market) Exemption Notice 2005; and
- (c) a Listing Agreement, in a form specified by NZX and requiring the applicant to comply with the Rules from the date the Application for Listing is accepted by NZX, duly executed by the NZAX Issuer; and
- (d) substantial security holder notices as at the date of execution of the Listing Agreement; and
- (e) acknowledgements by Directors regarding compliance with the Rules and as required by Rule 2.2.2; and
- (f) a declaration from the NZX Sponsor in accordance with the requirements contained in the NZX Participant Rules; and
- (g) a copy of the NZAX Issuer's Constitution at the time of Listing and certificate of incorporation (or commensurate document for the NZAX Issuer's entity (if applicable), together with a solicitor's certificate from the NZAX Issuer's solicitor in accordance with Rule 6.1.2; and
- (h) in the case of a Non Standard NZAX Issuer, where applicable, confirmation as to the defined group of Security holders (and qualifications for being a Security holder) and any limitations on the ability of Security holders to vote; and
- (i) copies of annual reports for the last five years, if available; and
- (j) details of the number and each class of Security the NZAX Issuer has on issue as at the time of the Application, and details of any issue or allotment intended prior to Listing (other than the Securities to be Quoted); and
- (k) any Advertisement that is proposed to be issued in relation to the offer; and
- (l) contact details (in accordance with the requirements of NZX as prescribed from time to time) of the applicant and the NZX Sponsor; and

- (m) confirmation that the fees prescribed by NZX from time to time have been, or will at the time of Listing be, paid to NZX; and
- (n) confirmation that the bond or deposit required by Rule 2.6.2 has been provided; and
- (o) any other information or documents that NZX may, at the time of submission or subsequently, request.

5.1.10 If NZX grants approval of the Application for Listing made pursuant to Rule 5.1.9, NZX will advise the NZAX Issuer of the approval in writing. Following such notification of approval, the NZAX Issuer shall, in addition to complying with the provisions of the Securities Act 1978 in relation to the allotment of Securities:

- (a) post on the NZAX Internet website for public inspection, the Offering Document or the Disclosure Document, financial statements, audit reports and all other material information as required by NZX from time to time; and
- (b) retain and make available to an investor upon request, copies of any Offering Document or Disclosure Document, financial statements, audit reports and material contracts.

5.1.11 Acceptance of the offer will proceed in the usual manner, and on closure of the offer the Securities will be Quoted on the NZAX and available for trading provided all Rules are complied with on completion of the allotment procedures.

## **5.2 Quotation of Securities**

5.2.1 The following information and material shall be submitted in relation to an application for Quotation of Securities:

- (a) details of the Security for which application for Quotation is sought including the number, Security Class, ISIN and face value (if any);
- (b) a declaration from the NZX Sponsor in accordance with the requirements contained in Appendix 2 to the Rules;
- (c) the Offering Document (in accordance with NZAX Listing Rule 7.1.1) or the Disclosure Document (in accordance with Rule 7.1.3) for approval by NZX;
- (d) any Advertisement that is proposed to be issued in relation to the offer;
- (e) confirmation that the fees prescribed by NZX from time to

time have been paid to NZX; and

- (f) any other information or documents that NZX may, at the time of submission or subsequently, request.

5.2.2 Where an NZAX Issuer wishes to quote any Security other than Equity Securities, Quotation of such securities shall be governed by such of the Rules applicable to the type of non Equity Security the NZAX Issuer wishes to quote or any other NZX Listing Rules as NZX may determine in its absolute discretion.

5.2.3 A Class of Securities will generally not be considered for Quotation on the NZAX Market unless those Securities are held by at least 50 members of the public.

5.2.4 An NZAX Issuer shall inform NZX without delay if it becomes aware that the number of Listed Securities which are in the hands of the public have fallen below the prescribed minimum set out in Rule 5.2.3. Once an NZAX Issuer becomes aware of such a fall, the NZAX Issuer shall take steps to ensure compliance at the earliest possible moment.

5.2.5 Quotation of a Class of Securities will be effective from the date specified in a notice published by NZX.

As a matter of general policy, NZX will not grant Quotation of Securities until NZX has received from the NZAX Issuer notice that those Securities have been allotted. However, NZX will generally agree to the Quotation of Securities arising from rights issues, options or conversion of Convertible Securities, on a date not earlier than two Business Days prior to the closing of applications.

5.2.6 Where Securities are issued which are not, at the time of issue, of the same Class as Securities which are Quoted, but which may become of that Class, whether by passage of time, elapse of an escrow period, payment of calls or otherwise, notification under this Rule must be given forthwith after issue of those Securities, but Quotation will not be granted for those Securities (unless application is made for their Quotation as a separate Class) until they have qualified for inclusion in the Class already Quoted.

### **5.3 Discretion of NZX as to Listing and Quotation**

5.3.1 NZX is not obliged to grant Listing of any person or Quotation of any Securities, whether or not the NZAX Issuer or person concerned complies with all applicable provisions of the Rules. NZX may refuse Listing or Quotation in its absolute discretion and without giving any reasons for such refusal.



NZX regards Listing as a privilege, not a right. It is not willing to fetter its discretion in respect of the initial grant of Listing, for fear of becoming involved in challenges from parties whose reputations or associates are suspect but against whom the available evidence is not readily verifiable. For example, the Listing Rules do not stipulate character standards for directors or promoters. Nevertheless NZX will not facilitate the Listing of companies whose directors have a history of unsavoury practices. NZX will not, however, act capriciously and the discretion will be exercised on the basis of the principles stated in the Foreword to the NZX Listing Rules.

5.3.2 NZX may at any time or times impose conditions (whether or not additional to the Rules) that must be fulfilled by any NZAX Issuer in order to obtain or maintain Listing, or Quotation of all or any of its Securities on the NZAX, if NZX in its absolute discretion considers such conditions are necessary or desirable to maintain a properly informed market, or to ensure compliance with, or achieve the intent of, any of the Rules.

1. For example, NZX may require NZAX Issuers to appoint independent directors to their boards, or to make other arrangements for the monitoring of the rights of minority holders of Securities, as a condition of Listing or continued Listing.
2. NZX may also, as a condition of Listing, impose restrictions for a specific period on the sale or other disposal of Vendor Securities.

5.3.3 Without limiting Rules 5.3.1 or 5.3.2 NZX may:

- (a) refuse Quotation of any Securities if it is not satisfied that the Securities Act 1978 or any other legislation has been complied with; and
- (b) impose such requirements in addition to or substitution for any of the Rules, as NZX thinks fit, if an entity seeking Listing is not a company as defined in the Companies Act 1993.

Rule 5.3.3(a) should not be read as placing any obligation whatsoever upon NZX to enforce or interpret any legislation. It is for the courts to decide upon the meaning and enforcement of legislation.

## **5.4 Trading Halts, Suspension, Cancellation and Other Powers**

5.4.1 An NZAX Issuer may request:

- (a) by notice in writing to NZX, that trading in its Securities be halted by NZX for a period not to exceed two Business Days; or

- (b) by not less than one month's prior written notice to NZX, that it cease to be Listed or that some or all of its Securities cease to be Quoted.

After receipt of a request from an NZAX Issuer in accordance with:

- (c) Rule 5.4.1(a), NZX may halt trading; or
- (d) Rule 5.4.1(b), NZX may cancel the Listing or Quotation of some or all of its Securities (or both), as the case may be,

on or subject to compliance with such conditions as NZX thinks fit.

1. Where an NZAX Issuer is requesting a trading halt, pursuant to Rule 5.4.1(a), it must provide information to NZX on each of the following:
  - (a) its reasons for the trading halt; and
  - (b) how long it wants the trading halt to last; and
  - (c) the event it expects to happen that will end the trading halt; and
  - (d) that it is not aware of any reason why the trading halt should not be granted; and
  - (e) any other information necessary to inform the market about the trading halt, or that NZX asks for.
2. NZX is not required to act on the NZAX Issuer's request for a trading halt.
3. Among the conditions which NZX may require in the case of a request, pursuant to Rule 5.4.1(b), for cancellation of Listing or Quotation of some or all of its Securities (or both) are:
  - (a) A requirement for a prior approving resolution of Security holders of the Class of Securities proposed to be cancelled who are Members of the Public; and
  - (b) Arrangements to protect rights of any Class of Security holders which arise under the Rules and which, if lost on cessation of Listing, would prejudice the position of those holders.
4. In the case of a compulsory acquisition following a takeover offer, NZX will generally suspend Quotation of an NZAX Issuer's Securities 5 Business Days after it receives a copy of an acquisition notice under the Takeovers Code.

5.4.2 NZX may at any time, and in its absolute discretion, do any one or more of the following, without giving any reasons and (subject to Rule 5.4.4) without giving prior notice to the NZAX Issuer

concerned:

- (a) cancel the Listing of any Listed NZAX Issuer; or
- (b) cancel, halt or suspend for such period as NZX thinks fit, the Quotation of any or all of an NZAX Issuer's Securities; or
- (c) refer the conduct of any NZAX Issuer, or of any Director or Associated Person of any NZAX Issuer, to the Tribunal or any statutory or governmental authority.

5.4.3 Without limiting Rule 5.4.2, NZX may exercise any of its powers under Rule 5.4.2 if it considers that:

- (a) a false market exists in any or all of an NZAX Issuer's Securities; or
- (b) any provision of the Rules has not been complied with by an NZAX Issuer or any Director or officer of that NZAX Issuer; or
- (c) the spread requirements specified in Rule 5.2.3 are not being met in respect of any or all of an NZAX Issuer's Securities and the NZAX Issuer has failed to inform NZX pursuant to Rule 5.2.4 that it has become aware that the requirements are not being met or the NZAX Issuer has failed to take steps to ensure compliance with the spread requirements at the earliest possible time; or
- (d) it is in the best interests of the market, or attainment of the intent and objects of the Rules, to exercise such a power; or
- (e) there occurs in respect of an NZAX Issuer:
  - (i) a change in control of Votes of that NZAX Issuer which confers an effective controlling interest in the NZAX Issuer, or a change in ownership in all or substantially all of those Securities of the NZAX Issuer carrying Votes; and
  - (ii) a cessation of, or change in the essential nature or direction of, the business or activities of that NZAX Issuer.

1. NZX may, but generally will not, remove Listing from an NZAX Issuer or Quotation of a Class of Securities only because the minimum spread requirements in Rule 5.2.3 cease to be satisfied. Listing or Quotation will be removed in those circumstances (or may at the discretion of NZX, be qualified by a Non Standard designation) if NZX considers, taking account of any circumstances it thinks fit including the nature of the NZAX Issuer and the general characteristics of holders of its Quoted Securities, that:
  - (a) trading in the market in those Securities is limited and/or:
    - (i) quotations for the Securities; and/or
    - (ii) prices at which sales are reported to occur; and/or
    - (iii) any pattern of transactions;

gives or appears to give a false indication of proper arm's length market prices; and
  - (b) continuation of Listing without Non Standard designation, or at all, as the case may be, is likely in the opinion of NZX to give rise to an unacceptable risk of damage to the reputation of NZX.

NZX will be influenced by the extent to which any reports or references to the Listing of the NZAX Issuer or Quotation of all or any Class of its Securities could mislead people as to the value of investment in its Quoted Securities.

2. In relation to an NZAX Issuer who fails to issue its preliminary full year or half year announcement reports, annual and half yearly reports or quarterly reports of consolidated cash flows, by their respective due dates, NZX will observe the following policy:
  - (a) NZX will immediately publish their names; and
  - (b) if after five Business Days following the relevant due date, that NZAX Issuer has not complied, Quotation of all or any Class of that NZAX Issuer's Securities will be suspended, until such time as the NZAX Issuer has complied; and
  - (c) in appropriate cases, either in addition to or in substitution for the steps taken under paragraphs (a) or (b), NZX may pursuant to Rule 2.3, and at the expense of the NZAX Issuer, use its power of inspection to ascertain and inform the market of the state of that NZAX Issuer.

5.4.4 If NZX exercises its power under Rule 5.4.2 without giving prior

notice or reasons to the NZAX Issuer concerned it shall, as soon as practicable thereafter, give notice to the NZAX Issuer concerned, explaining the reasons for the decision to exercise its powers in that manner. NZX shall not act in that manner unless NZX forms the opinion that any delay involved in giving prior notice or explanation of the reasons may prejudice the interests of other participants in the market.

- 5.4.5 The suspension of Quotation or trading shall not release the NZAX Issuer concerned from any obligation (whether to pay fees or otherwise) it has under the Rules, and the cancellation of Listing or Quotation shall not release the NZAX Issuer concerned from any such obligation it has under the Rules in respect of any period or matter occurring before the cancellation.

## **5.5 General Obligations of NZAX Issuers While Listed**

- 5.5.1 Upon the execution of a Listing Agreement with NZX, an NZAX Issuer shall comply with the Rules from the date the Application for Listing is accepted by NZX pursuant to Rule 5.1.9.
- 5.5.2 Every NZAX Issuer shall maintain its NZAX Internet website and ensure that it is up to date at all times and contains all necessary information and disclosures as required by the Rules.
- 5.5.3 NZAX Issuers shall pay to NZX all fees prescribed by NZX from time to time.

## NZAX Listing Rules

### Section 6: Approval of Documents by NZX

6

#### 6.1 Approval

- 6.1.1 The documents listed below shall be subject to the approval of NZX, and shall not be circulated to holders of Securities, executed, or otherwise given effect to in any way, until the written approval of NZX is obtained.
- (a) any Constitution including any proposed changes to any Constitution; and
  - (b) any notice of a meeting of holders of Quoted Securities to consider any matter other than declaring a dividend, the consideration of financial statements and reports of Directors or auditors, the election of Directors, the fixing of the remuneration of Directors, a change of name of the NZAX Issuer, or the appointment of, and fixing of remuneration of, auditors, or a resolution required or permitted under the Takeovers Code; and
  - (c) any Offering Document or Disclosure Document provided pursuant to Rule 7.1.1 or 7.1.3; and
  - (d) any Pre Break Announcement made pursuant to Rule 10.2.

NZX will not look favourably upon resolutions contained in notices of meeting of holders of Quoted Securities which purport to confer on the Board discretions to undertake certain transactions, where the material details of such transactions are not settled or cannot be disclosed and adequately explained to the Quoted Security holder to enable that Quoted Security holder to make an informed decision whether to vote in favour of that resolution, and NZX may decline to approve any notice of meeting which contains such resolutions.

- 6.1.2 Any Constitution (or proposed changes to a Constitution) shall be submitted to NZX for approval along with a certificate from the solicitor for the NZAX Issuer. That certificate shall be addressed to NZX, in a form satisfactory to NZX and shall confirm that the Constitution complies with the Rules.
- 6.1.3 Each document referred to in Rule 6.1.1 shall be submitted to NZX in draft form for approval at least 10 Business Days before that document is intended to be circulated, executed, or otherwise given effect to (or, if that document is to be printed, 10 Business Days before printing is intended to commence).

6.1.4 Each document referred to in Rule 6.1.1 shall be submitted in its proposed full form, and if more than one document is required to be approved, they shall be submitted together. If an Appraisal Report is required to accompany a notice of meeting, a draft of that Appraisal Report shall be submitted together with the draft of the notice of meeting. The period of 10 Business Days referred to in Rule 6.1.3 shall not commence until NZX has received all relevant documents in their proposed final form. If any alteration is made to a document already submitted (that alteration not being required as a consequence of NZX's review of that document), NZX may regard in its absolute discretion that period of 10 Business Days as commencing at the time that alteration is received by NZX.

## **6.2 Notices of Meeting**

6.2.1 The text of any resolution to be put to a meeting of an NZAX Issuer for the purposes of Rules 7.3.1, 7.3.5(a)(iii), 7.3.6, 7.5 or 7.6.5 shall be set out in the notice of the relevant meeting. That notice shall be approved by NZX in accordance with Rule 6.1, and shall contain the precise terms and conditions of the specific proposal to issue, ratify the issue of, acquire, or redeem the Securities in question, or to provide financial assistance. The resolution shall not authorise any issue, acquisition, redemption or assistance which varies in any material respect from the description in the notice. As a minimum, the notice or the papers accompanying it shall state or contain so much of the following information as is applicable:

- (a) the number of Securities to be issued, acquired, or redeemed or, if the number is not known, the formula to be applied to determine the number, and the maximum number which may be issued, acquired or redeemed; and
- (b) the purpose of the issue, acquisition or redemption; and
- (c) the issue, acquisition or redemption price, or if the price is not known, the formula to be applied to determine the price, and the time or times for payment with sufficient detail to enable Security holders to ascertain the terms of issue, acquisition or redemption to or from any party; and
- (d) the party or parties to whom the Securities are to be issued, or from whom they are to be acquired, where that is known, and in all cases identifying by name any such parties who are Directors or Associated Persons of the NZAX Issuer or any Director; and
- (e) in the case of an issue, the consideration for the issue and where that is cash, the specific purpose for raising the

cash; and

- (f) the period of time within which the issue, acquisition or redemption will be made; and
- (g) in the case of an issue, the ranking of the Securities to be issued for any future benefit; and
- (h) in the case of a resolution under Rule 7.6.5 authorising the giving of financial assistance, the amount and full terms of that assistance, and the party or parties to whom that assistance is to be given, identifying by name any such parties who are Directors or Associated Persons of the NZAX Issuer or any Director.

6.2.2 Each notice of meeting of holders of Securities shall contain or be accompanied by sufficient explanation to enable a reasonable person to understand the effect of the resolutions proposed in the notice of meeting.

6.2.3 Without limiting Rule 6.2.1, notices in respect of proposed changes to a Constitution shall be sufficiently explicit to enable the effect of such changes to be understood without reference to the existing or proposed Constitution. The notice shall state that the changes have been approved by NZX.

6.2.4 If:

- (a) a resolution is to be proposed at a meeting of shareholders of an NZAX Issuer which is a company registered under the Companies Act 1993; and
- (b) if that resolution is passed, shareholders will have the right to require the NZAX Issuer to purchase their shares by virtue of section 110 or section 118 of that Act;

then the notice of meeting to consider that resolution shall contain a prominent statement of the right referred to in (b).

6.2.5 A proxy form shall be sent with each notice of meeting of Quoted Security holders and shall:

- (a) as a minimum, (so far as the subject matter and form of the resolutions reasonably permits) provide for two-way voting (for or against) on all resolutions, enabling the Quoted Security holder to instruct the proxy as to the casting of the vote; and
- (b) not be sent with any name or office (e.g. chairperson of directors) filled in as proxy holder.

So far as is reasonably practicable, resolutions shall be framed



in a manner which facilitates two way voting instructions for proxy holders.

1. A proxy form may also provide for the Security holder to abstain from voting on each resolution and/or for the proxy to exercise a discretion to vote for or against each resolution, and should clearly state the consequences if no proxy instruction is provided.
2. Rule 6.2.5 is not intended to prohibit any Director or person at their own expense soliciting Quoted Security holders in a personal capacity for their proxies.
3. The proxy may include a footnote to the effect that certain officers of the NZAX Issuer or other persons are willing to act as proxy if the Quoted Security holder wishes to appoint them.
4. NZAX Issuers should have regard to Rule 9.3.3 and the footnote to that Rule.

### **6.3 Other Notices**

- 6.3.1 Equity Security holders of all Classes shall be entitled to attend general meetings and to receive copies of all notices, reports and financial statements issued generally to holders of Securities carrying Votes.

The use of the word "reports" in Rule 6.3.1 makes this wider than the provisions of companies legislation regarding formal notices.

- 6.3.2 Service of Notices Outside New Zealand: If a holder of a Quoted Security has no registered address within New Zealand and has not supplied to the NZAX Issuer an address within New Zealand for the giving of notices, but has supplied an address outside New Zealand, then notices for that Quoted Security holder shall be posted to that Quoted Security holder at such international address and shall be deemed to have been received by that Quoted Security holder 24 hours after the time of posting.

## NZAX Listing Rules

### Section 7: Issues and Buy Backs of Equity Securities

#### 7.1 Listing Documentation

- 7.1.1 An Applicant for Listing or an NZAX Issuer shall prepare an Offering Document if required to do so by the Securities Act 1978 and where the NZAX Issuer is required by law to do so, the Offering Document shall be delivered to each subscriber prior to subscription and a copy of any Offering Document delivered to a subscriber shall be retained by the NZAX Issuer. The Offering Document shall comply with the Securities Act 1978, the Securities Regulations 1983 and/ or the Securities Regulations 2009, and any other applicable legislation.
- 7.1.2 Every Offering Document shall include in its subscription application a field for subscribers to insert their CSN number (if any).
- 7.1.3 Where an Applicant for Listing on the NZAX is not required to prepare an Offering Document it shall prepare a Disclosure Document. The Disclosure Document shall comprise all matters set out in Appendix 3 of the Rules and following approval of the Disclosure Document by NZX, the NZAX Issuer shall:
- (a) post on the NZAX Internet website for public inspection, the Disclosure Document and all other material information as required by NZX from time to time; and
  - (b) retain and make available to an investor upon request, copies of the Disclosure Document, financial statements, audit reports and material contracts.
- 7.1.4 Any Offering Document or Disclosure Document prepared pursuant to Rules 7.1.1 or 7.1.3 above, shall be submitted to NZX for approval pursuant to Rule 6.1.

The Offering Document and any Advertisement in relation to the Offer must also include the following statement or such other statement as NZX may require:

“The Company has applied to NZX for listing as an NZAX Issuer. All the requirements of NZX for Quoting of Securities, that can be complied with on or before the date of distribution of this Offering Document, have been complied with. However NZX accepts no responsibility for any statement in this Offering Document. NZX has authorised the NZX Sponsor to act in this Offer.”

In its review for the purposes of approval of the Offering Document pursuant to Rule 6.1.1, NZX will pay particular attention to the adequacy of the description of risks, business description and drivers of future performance to ensure a fair representation of the future prospects of the NZAX Issuer is provided.

- 7.1.5 Every Offering Document shall state the number and percentage of Securities of any Class which have been reserved for any class of applicant or are otherwise not available for application by Members of the Public, including Securities which are not part of the issue or are not offered under the Offering Document, and the names or description of any class of persons to whom any preference in allotment is to be given. NZX may in any particular case require the inclusion of a statement to this effect in any Advertisement.
- 7.1.6 No Offering Document shall include provisions for the variation of the rate of commission payable in respect of subscription for the securities concerned unless it also states the maximum rate which may be payable.
- 7.1.7 Every Offering Document, after stating that applications may be made to the NZAX Issuer, shall state that they may be lodged with any Primary Market Participant, or any other channel approved by NZX (in that order) in time to enable forwarding to the appropriate place prior to the application closing date.
- 7.1.8 Every Offering Document shall state the method of dealing with over-subscriptions, and the maximum amount of over-subscriptions which will be accepted.
- 7.1.9 Each Offering Document shall specify:
- (a) the period within which a refund of subscription moneys will be made to applicants for Securities to whom allotments are not made; and
  - (b) whether or not interest will be paid on amounts refunded in terms of (a), and, if so, the basis upon which interest will be calculated.
- 7.1.10 If an Offering Document contains provision for variation in interest rates or other rates of return, the NZAX Issuer shall advise any reduction in rates to subscribers who apply for Securities otherwise than on the basis of the reduced rates. Unless those subscribers confirm their application for Securities, those Subscribers shall be repaid their subscription moneys within the period specified in accordance with Rule 7.1.9, together with any interest referred to in Rule 7.1.9.

- 7.1.11 Every Offering Document for Equity Securities shall specify the Directors' intentions and expectations as to the NZAX Issuer's future dividend policy.
- 7.1.12 Any statement required by the Rules to be contained in an Offering Document or Advertisement shall be sufficiently prominent and legible so as to come to the attention of a reasonable person reading or viewing that Offering Document or Advertisement.
- 7.2 Subsequent Public Offers**
- 7.2.1 Any time following its Initial Public Offer, an NZAX Issuer may raise additional capital either in accordance Rule 7.3, or following a Pre Break Announcement, and satisfaction of the other requirements of Rule 10.2.
- 7.2.2 An NZAX Issuer wishing to raise additional capital from the public must consult a NZX Sponsor in relation to such a proposal. The NZAX Issuer's Securities will continue to be Quoted and trade on the NZAX throughout the offer.
- 7.2.3 The NZAX Issuer must comply with Rule 7.1.1 for each Subsequent Public Offer.
- 7.2.4 The NZAX Issuer shall provide the following documents to NZX for approval pursuant to Rule 6.1 for each Subsequent Public Offer:
- (a) the Offering Document;
  - (b) an updated NZX Sponsor's declaration;
  - (c) additional financial statements and audit reports; and
  - (d) any other material information.
- 7.2.5 Following approval by NZX, the documents outlined in Rule 7.2.4 shall be posted for public inspection on the NZAX website, copies of the documents shall be made available to prospective investors on request and a copy of those documents shall be retained by the NZAX Issuer for evidential purposes.
- 7.2.6 The NZAX Issuer shall then make the offer to the public by either:
- (a) providing the Offering Document to each prospective investor with acceptance in the usual manner; or
  - (b) by placement of the Securities on the NZAX market, by way of filing an offer notice, in accordance with Rule 7.2.7 and receiving application by way of orders placed via

Trading Participants for their clients on the NZAX, and accepted by the NZAX Issuer's Trading Participant and processed by NZX's order matching system and settled through the Settlement System.

7.2.7 Where an NZAX Issuer makes the offer to the public by way of filing an offer notice pursuant to Rule 7.2.6(b), that notice shall be posted on the NZAX website, shall be announced to the market and shall comprise the following information:

- (a) the intention to make the offer;
- (b) the date of commencement of the offer;
- (c) the maximum amount offered;
- (d) that an Offering Document is available on the NZAX website and on request from the NZAX Issuer;
- (e) the internet address of the NZAX Issuer's NZAX website; and
- (f) where applicable, a statement that the offer is been made with the benefit of an exemption, that the NZAX Issuer is not under an obligation to ensure investors receive an Offering Document before placing an order for Securities, and encouraging investors to obtain and review a copy of that Document prior to placing an order.

7.2.8 Rules 7.2.6 and 7.2.7 shall only apply to shares allotted through NZX's order matching system.

### **7.3 Issues of New Equity Securities**

7.3.1 No NZAX Issuer shall issue any Equity Securities (including on Conversion of any other Security) unless:

- (a) the precise terms and conditions of the specific proposal to issue those Equity Securities have been approved (subject to Rule 7.3.3) by separate resolutions (passed by a simple majority of Votes) of holders of each Class of Quoted Equity Securities of the NZAX Issuer whose rights or entitlements could be affected by that issue, and that issue is completed within the time specified in Rule 7.3.2; or
- (b) the issue is made in accordance with any of Rules 7.3.4 to 7.3.11; or
- (c) the issue is made following a Pre Break Announcement, and satisfaction of the other requirements of Rule 10.2.

1. Rule 9.3.1 deals with the persons entitled to vote on a resolution under this Rule.
  2. The attention of NZAX Issuers is drawn to Rule 8.1, which may apply to the issue of Equity Securities which carry Votes.
- 7.3.2 An issue authorised by resolutions passed pursuant to Rule 7.3.1(a) shall be completed:
- (a) if that issue is made solely to Employees (as defined in Rule 7.3.6) within 36 months after the passing of those resolutions; or
  - (b) in all other circumstances, within twelve months after the passing of those resolutions.
- 7.3.3 A resolution pursuant to Rule 7.3.1(a) of the holders of a Class of Securities shall not be required if:
- (a) the terms of issue of those Securities expressly reserved the right to make the issue of new Equity Securities in question, and specified at least the maximum number, and Class, of new Equity Securities which could be issued, and the time within which they could be issued; or
  - (b) those Securities were issued before 1 September 1994 on terms that the holders of those Securities would not be entitled to vote on a resolution of the nature referred to in Rule 7.3.1(a); or
  - (c) those Securities were issued on terms that the holders of those Securities would vote together with the holders of another Class or Classes of Equity Securities on a resolution of the nature referred to in Rule 7.3.1(a) and the issue is approved by a resolution (passed by a simple majority of Votes) of holders of all the relevant Classes voting together.
- 7.3.4 An NZAX Issuer may issue Equity Securities if:
- (a) those Equity Securities are offered to holders of existing Equity Securities of the NZAX Issuer on a basis which, if the offer were accepted by all such holders, would maintain the existing proportionate rights of each existing holder (relative to other holders of Equity Securities) to Votes and to Distribution Rights, and that offer is Renounceable; or
  - (b) those Equity Securities are issued to holders of existing Equity Securities of the NZAX Issuer as fully paid Securities on a basis which maintains the existing proportionate rights of each existing holder (relative to

other holders of Equity Securities) to Votes and to Distribution Rights; or

- (c) those Equity Securities are offered to all holders of existing Equity Securities of the NZAX Issuer carrying Votes for consideration not exceeding \$15,000 per existing Equity Security holder (being the registered holder or, in the case of Securities held through a custodian, the beneficial owners of the Securities) and the number of Equity Securities to be issued is not greater than 30% of the number of fully paid Equity Securities carrying Votes already on issue.

Notwithstanding (a), (b) and (c), the NZAX Issuer shall be entitled:

- (d) to issue any Equity Securities in respect of which an offer is not accepted, or which because of fractional entitlements are not otherwise offered, to such persons and in such manner as the Directors consider equitable and in the interests of the NZAX Issuer, provided that the price and terms and conditions of the issue of such Equity Securities are not materially more favourable to the persons to whom they are issued than the terms of the original offer and the issue is completed within 3 months after the close of the original offer; and
- (e) to offer and issue Equity Securities to the holders of existing Securities in accordance with specific rights attached to those existing Securities to participate in issues of Equity Securities, notwithstanding that the effect may be that existing proportionate rights to Votes and Distribution Rights are not maintained; and
- (f) to authorise a disproportionate offer to the extent necessary to round up holdings of Equity Securities to a Minimum Holding, or to avoid the creation of holdings which are not Minimum Holdings; and
- (g) to not offer or issue Equity Securities to holders of existing Equity Securities the terms of which expressly exclude the right to participate in the relevant offer or issue; and
- (h) to not offer or issue Equity Securities to holders of existing Securities in a jurisdiction outside New Zealand if the legal requirements of that jurisdiction are such that it is unduly onerous for the NZAX Issuer to make the offer in that jurisdiction provided that in the case of Renounceable Rights, the NZAX Issuer shall arrange the sale of any Renounceable Rights to the relevant Equity Securities and to account to holders in that jurisdiction for the proceeds.

In this Rule 7.3.4, "Distribution Right" means a right of the nature referred to in paragraph (a) or paragraph (b) of the definition of "Equity Security" in Rule 1.6.1.

1. Rule 7.3.4 allows the Directors to make a pro rata fully paid bonus issue, or pro rata renounceable cash issue, without prior approval of Equity Security holders.
2. Rule 7.3.4(d) is intended to allow holders of Securities with rights to participate in cash or bonus issues of Equity Securities to participate in those issues. Note however that a Security which carries the right to participate in issues of Equity Securities will in itself be an Equity Security (see paragraph (d) of the definition of "Equity Security" and the definition of "Convert" in Rule 1.6.1). Accordingly, the issue of such a Security will itself fall within Rule 7.3.

7.3.5 An NZAX Issuer may issue Equity Securities if:

- (a) the total number of Equity Securities issued, and all other Equity Securities of the same Class issued pursuant to this Rule 7.3.5 during the shorter of the period of 12 months preceding the date of the issue and the period from the date on which the NZAX Issuer was Listed to the date of the issue, will not exceed the aggregate of:
  - (i) 25% of the total number of Equity Securities of that Class on issue at the commencement of that period; and
  - (ii) 25% of the number of the Equity Securities of that Class issued during that period pursuant to any of Rules 7.3.1(a), 7.3.4, 7.3.6 and 7.3.11; and
  - (iii) any Equity Securities of that Class issued pursuant to this Rule 7.3.5 during that period, the issue of which has been ratified by an Ordinary Resolution of the NZAX Issuer; and less
  - (iv) 25% of the number of Equity Securities of that Class which have been acquired or redeemed by the NZAX Issuer during that period (other than Equity Securities held as Treasury Stock); and
- (b) Directors of the Issuer, Associated Persons of a Director or Employees (as defined in Rule 7.3.6) of the Issuer may participate in an offer made under this Rule if:
  - (i) All Directors voting in favour of the resolution to issue the Securities sign a certificate that the participation of Directors, Associated Persons of a Director or



Employee, as the case may be, in the Issue is in the best interests of the Issuer and fair to holders of Equity Securities who are not receiving, or associated with those parties receiving, Securities under the Issue;

- (ii) The terms of issue to all persons in an offer under this Rule are the same; and
- (iii) The level of participation of any Director, Associated Person of a Director or Employee is determined according to criteria applying to all persons participating in the offer.

Provided that for the purposes of this Rule 7.3.5:

- (c) Securities which will, or may, Convert to other Equity Securities shall be deemed to be of the same Class as, and to correspond in number to, the Equity Securities into which they will, or may, Convert; and
- (d) where the conversion ratio is fixed by reference to the market price of the underlying Equity Securities, the market price, unless otherwise specified in the terms of the issue, shall be the volume weighted average market price over the 20 Business Days before the earlier of the day the issue is made or announced to the market.

1. Rule 9.3.1 deals with the persons entitled to vote on a resolution under this Rule 7.3.5.
2. Rule 7.3.5(a)(iii) allows an NZAX Issuer to renew its capacity to issue Securities within the 20% limit when it has been used, by obtaining subsequent Equity Security holder ratification of the issue which has already been made.

7.3.6 An NZAX Issuer may issue Equity Securities if:

- (a) the issue is made to Employees of the NZAX Issuer; and
- (b) the issue is of a Class of Securities already on issue; and
- (c) the total number of Securities issued, and all other Equity Securities of the same Class issued to Employees of the NZAX Issuer pursuant to this Rule 7.3.6 during the shorter of the period of 12 months preceding the date of the issue and the period from the date on which the NZAX Issuer was Listed to the date of the issue, does not exceed 5% of the aggregate of:
  - (i) the total number of Equity Securities of that Class on

issue at the commencement of that period; and

- (ii) the total number of Equity Securities of that Class issued during that period pursuant to any of Rules 7.3.1(a), 7.3.4, 7.3.5, and 7.3.11.

Provided that for the purposes of this Rule 7.3.6:

- (d) Equity Securities which will, or may, Convert to other Equity Securities shall be deemed to be of the same Class as, and to correspond in number to, the Equity Securities into which they will, or may, Convert; and
- (e) where the conversion ratio is fixed by reference to the market price of the underlying Equity Securities, the market price, unless otherwise specified in the terms of the issue, shall be the volume weighted average market price over the 20 Business Days before the earlier of the day the issue is made or announced to the market.

In Rule 7.3.6 and 7.3.8, "Employee" in relation to an NZAX Issuer includes an employee or officer of the NZAX Issuer or any of its Subsidiaries, a labour only contractor, consultant, or consultant company who or which contracts with the NZAX Issuer or any of its Subsidiaries, any trustee or trustees on behalf of any of the above employees or officers, and any trustee or trustees of or in respect of any pension, superannuation or like fund established for the benefit of any of the above employees or officers.

1. Rule 9.3.1 in Appendix 1 deals with the persons entitled to vote on a resolution under this Rule 7.3.6.
2. Any agreement involving a transaction referred to in this Rule 7.3.6 which requires prior approval by an Ordinary Resolution of the NZAX Issuer must comply with Rule 1.12.

7.3.7 An Issuer may issue Equity Securities to a Director if:

- (a) the issue is made in accordance with a resolution passed under Rule 3.4.1; and
- (b) the issue is of a Class of Equity Securities already on issue; and
- (c) the issue of Equity Securities is made after the end of the period (or half period) to which that remuneration relates; and
- (d) the issue price of the Equity Securities is equal to the volume weighted average market price of Equity Securities of that class over the 20 Business Days before the issue occurs.

7.3.8 For the purposes of Rule 7.3.6, an issue to a Director, or an Associated Person of a Director, solely in that person's capacity as a trustee of a bona fide employee share scheme, superannuation scheme, or the like, in which that Director or Associated Person has no beneficial interest, shall be deemed not to be an issue to a Director or Associated Person of a Director, or an issue in which Directors or Associated Persons participate.

7.3.9 Directors and Associated Persons of Directors may participate in an issue under 7.3.6 if their participation is determined by criteria applying to employees generally.

7.3.10 Except as provided in Rules 8.1.5 and 8.1.6, no NZAX Issuer may reprice or amend the terms of any Securities issued with Shareholders' approval to or for the benefit of Employees or Directors under Rule 7.3, in their capacity as such, without either the approval of NZX or a further Ordinary Resolution of the shareholders resolving to approve the repricing or amendment.

7.3.11 An NZAX Issuer may issue Equity Securities if:

(a) the issue is made as consideration in an offer made by the NZAX Issuer in accordance with:

- (i) any takeovers code approved under the Takeovers Act 1993; or
- (ii) the provisions of the Constitution or Trust Deed of another NZAX Issuer which comply with section 4 where that other NZAX Issuer is not a Code Company; or
- (iii) any takeover law regime of a jurisdiction other than New Zealand which provides for prior notice, publicity and disclosure which in the opinion of NZX is at least as useful to the recipients of the offer as the requirements of one or more of the provisions referred to in (i) or (ii);

and that offer is made to all holders (other than the NZAX Issuer and its Related Companies) of Equity Securities in any company or other entity, Listed on NZAX or on a Recognised Stock Exchange, which is not a company or other entity that is an Associated Person of the NZAX Issuer or of any Director of the NZAX Issuer; or

(b) the issue is made upon Conversion of:

- (i) an Equity Security; or

- (ii) any other Security, which on issue was approved in the manner set out in Rule 7.3.1(a), as if Rule 7.3.1(a) applied to that Security;

from time to time issued by the NZAX Issuer if the terms of issue of those Securities provided for Conversion to the kind of Security issued; or

- (c) the issue is made to an existing holder of Equity Securities of the NZAX Issuer in order to bring that holder's holding up to a Minimum Holding; or
- (d) the issue is made pursuant to an arrangement, amalgamation or compromise effected pursuant to Part XIII or Part XV of the Companies Act 1993; or
- (e) the issue is made pursuant to a plan for the issue of Securities in lieu of dividends or as part of a dividend re-investment plan that entitles an existing Security holder to subscribe for Securities by applying all or any specified part of any dividend declared by an NZAX Issuer and payable to that person, and which issue or dividend reinvestment plan would , except to the extent that the plan excludes existing holders in a jurisdiction outside New Zealand if the legal requirements of that jurisdiction are such that it is unduly onerous for the NZAX Issuer to extend the plan to that jurisdiction, maintain the existing proportionate right of each existing holder relative to other holders of Equity Securities to Votes and Distribution Rights, if the offer were accepted by all such holders.

1. NZX may waive the condition which excludes issues in connection with takeovers of Associated Persons where it is satisfied that:
  - (a) the issue is not intended to:
    - (i) increase or entrench any effective controls of the NZAX Issuer by persons who are not Members of the Public; or
    - (ii) materially change the relative positions of other holders in relation to the effective control of the NZAX Issuer; and/or
  - (b) the likelihood that the proposal to issue the Securities is motivated by the personal interest of those in effective control of the NZAX Issuer (in distinction to the interests of the holders not associated with them) is insignificant in relation to the expense and inconvenience involved in obtaining approval under Rule 7.3.1.

2. Issues pursuant to any paragraph of Rule 7.3.11 (and in particular paragraphs (a) and (d)) may require Security holder approval pursuant to Rules 7.5 or 9.2.

7.3.12 A transfer, by an NZAX Issuer which is a company registered under the Companies Act 1993, of Treasury Stock of that NZAX Issuer shall for the purposes of this Rule 7.3 be deemed to constitute an issue of Equity Securities.

#### **7.4 Entitlements to Third Party Securities**

7.4.1 Entitlements conferred by the holding of Equity Securities of an NZAX Issuer, to Securities of a third party (whether or not that third party is an NZAX Issuer), shall not be created or conferred other than in compliance with Rule 7.3 (or following a Pre Break Announcement, and satisfaction of the other requirements of Rule 10.2), as if such Securities comprised an issue of Equity Securities of the NZAX Issuer.

#### **7.5 Issues and Buybacks of Securities Affecting Control**

7.5.1 Notwithstanding the provisions of Rules 7.3 and 7.6, no issue, acquisition, or redemption of Securities shall be made by an NZAX Issuer if:

- (a) there is a significant likelihood that the issue, acquisition, or redemption will result in any person or group of Associated Persons materially increasing their ability to exercise, or direct the exercise of (either then or at any future time) effective control of that NZAX Issuer; and
- (b) that person or group of Associated Persons is entitled before the issue, acquisition, or redemption to exercise, or direct the exercise of, not less than 1% of the total Votes attaching to Securities of the NZAX Issuer;

unless the precise terms and conditions of the issue, acquisition or redemption have been approved by an Ordinary Resolution of the NZAX Issuer.

1. In determining whether a person or group of Associated Persons has materially increased their ability to exercise effective control of an NZAX Issuer, regard should be had to all relevant circumstances, such as other holdings of Securities of the NZAX Issuer, and the crossing of significant shareholding or control thresholds.

2. NZX will regard Rule 7.5 as applicable where a shareholder or Associated Person underwrites or sub-underwrites a Rights or other issue and a shortfall results in the underwriter or sub-underwriter, or group of Associated Persons including the underwriter or sub-underwriter, materially increasing its ability to exercise effective control of the NZAX Issuer. Accordingly, if there is a significant likelihood of that occurring, any such underwriting arrangement should be approved by an Ordinary Resolution or be the subject of a waiver granted by NZX, before it is entered into.
3. Rule 9.3.1 deals with the persons entitled to vote on a resolution under this Rule 7.5.
4. Any agreement involving a transaction referred to in this Rule 7.5 must comply with Rule 1.9.

## **7.6 Buybacks of Equity Securities, Redemption of Equity Securities, and Financial Assistance**

7.6.1 An NZAX Issuer shall not acquire or redeem Equity Securities of that NZAX Issuer other than by way of:

- (a) an acquisition effected by offers made by the NZAX Issuer through NZX's order matching market, or through the order matching market of a Recognised Stock Exchange; or
- (b) an acquisition effected in compliance with section 60(1)(a) (read together with section 60(2)) of the Companies Act 1993; or
- (c) an acquisition of the nature referred to in section 61(7) of the Companies Act 1993; or
- (d) an acquisition or redemption approved in accordance with Rule 7.6.6; or
- (e) an acquisition required by a shareholder of the NZAX Issuer pursuant to sections 110 or 118 of the Companies Act 1993; or
- (f) an acquisition effected in compliance with section 60(1)(b)(ii) (read together with section 61) of the Companies Act 1993 and:
  - (i) is made from any person who is not a Director or an Associated Person of a Director of the Issuer; and
  - (ii) the total number of Equity Securities of the same Class acquired together with all other Equity Securities of the same Class as those Equity Securities that are to be acquired, pursuant to this

Rule 7.6.1(f) during the shorter of the period of 12 months preceding the date of the acquisition and the period from the date on which the NZAX Issuer was Listed to the date of the acquisition, will not exceed 20% of the total number of Equity Securities of that Class on issue at the commencement of that period; or

- (g) a redemption from a holder who holds less than a Minimum Holding; or
- (h) a redemption of Equity Securities issued:
  - (i) before 1 September 1994; or
  - (ii) in compliance with Rule 7.3.1(a) or 7.3.4, where the NZAX Issuer is bound or entitled to redeem those Equity Securities pursuant to their terms of issue; or
- (i) a redemption in compliance with section 69(1)(a) of the Companies Act 1993; or
- (j) a redemption of Equity Securities that are debt Securities which may be Converted into shares in an NZAX Issuer which is a company, and, before that Conversion, they are redeemed in cash;

Provided that for the purposes of Rule 7.6.1(f):

- (k) Securities which will, or may, convert to other Equity Securities shall be deemed to be of the same Class as, and to correspond in number to, Securities into which they will, or may, convert; and
- (l) where the Conversion ratio is fixed by reference to the market price of the underlying Securities, the market price for the purposes of this Rule 7.6.1(f) shall be the average end of day market price over the 20 Business Days before the earlier of the day the acquisition is entered into or announced to the market.

7.6.2 Before an NZAX Issuer acquires Equity Securities of that NZAX Issuer, other than an acquisition from a holder who holds less than a Minimum Holding, the NZAX Issuer shall give at least three Business Days notice to NZX. That notice shall:

- (a) specify a period of time not exceeding 12 months from the date of the notice within which the NZAX Issuer will acquire Equity Securities; and
- (b) specify the Class and maximum number of Equity

Securities to be acquired in that period:

- (c) Provided that an NZAX Issuer may at any time by three Business Days' notice to NZX vary any notice so given and may cancel such notice at any time.

As to subsequent notice of acquisition of Equity Securities, see Rule 7.11.1.

7.6.3 An NZAX Issuer shall not give financial assistance for the purpose of, or in connection with, the acquisition of Equity Securities issued or to be issued by the NZAX Issuer unless the giving of that assistance:

- (a) complies with Rule 7.6.4; or
- (b) is approved in accordance with Rule 7.6.5.

7.6.4 An NZAX Issuer may give financial assistance of the nature referred to in Rule 7.6.3 if:

- (a) the financial assistance is not given in whole or in part to any Director of the NZAX Issuer, Associated Person of a Director or Employee (as defined in Rule 7.3.6) of the NZAX Issuer, and the amount of the financial assistance, together with the amount of all other financial assistance given under this paragraph (a) by the NZAX Issuer during the shorter of the period of 12 months preceding the date of giving of the financial assistance, and the period from the date on which the NZAX Issuer was Listed to the date of giving of the financial assistance, does not exceed 10% of the Average Market Capitalisation of the NZAX Issuer; or
- (b) the financial assistance is given to Employees (as defined in Rule 7.3.6) of the NZAX Issuer and:
  - (i) the amount of the financial assistance, together with the amount of all other financial assistance given under this paragraph 7.6.5(b)(i) by the Issuer during the shorter of the period of 12 months preceding the date of giving of the financial assistance and the period from the date on which the Issuer was Listed to the date of giving of the financial assistance, does not exceed 5% of the Average Market Capitalisation of the Issuer; and
  - (ii) the amount of the financial assistance, together with the amount of all other financial assistance given under Rule 7.6.5(b)(i) during the shorter of the period of five years preceding the date of the giving of financial assistance and the period from the date on



which the Issuer was Listed to the date of the giving of the financial assistance, does not exceed 10% of the Average Market Capitalisation of the Issuer; and

- (iii) the financial assistance is not given to any Director of the NZAX Issuer or Associated Person of a Director; or
- (c) the financial assistance is offered or given so that all holders of Equity Securities of the NZAX Issuer are treated, or given the opportunity to be treated, on the same basis.

NZX may waive the restriction in Rule 7.6.4(b)(iii) on Directors and Associated Persons participating in financial assistance given to Employees:

- (a) so far as it affects assistance given to bona fide full time employees who are Directors, or Associated Persons of Directors, where NZX is satisfied that the amounts and terms of the assistance will be determined according to criteria applying generally to all employees eligible to receive the assistance, and would not, if all relevant factors were publicly disclosed, be reasonably seen as being materially influenced by the relationship; and/or
- (b) where NZX is satisfied that the assistance is not likely disproportionately to benefit the persons controlling the Issuer and those associated with them.

7.6.5 An NZAX Issuer may acquire or redeem Equity Securities under Rule 7.6.1(d), or give financial assistance under Rule 7.6.3(b), if the precise terms and conditions of the specific proposal (the "Proposal") to acquire or redeem those Equity Securities, or of the giving of that financial assistance, have been approved by separate resolutions (passed by a simple majority of Votes) of members of each separate group of each Class of Quoted Equity Securities of the NZAX Issuer whose rights or entitlements are materially affected in a similar way by the Proposal.

Any agreement involving a transaction referred to in this Rule must comply with Rule 1.12.

7.6.6 A Proposal authorised by resolutions passed pursuant to Rule 7.6.5 shall be completed:

- (a) if that Proposal is transacted solely with Employees (as defined in Rule 7.3.6) within 36 months after the passing of those resolutions; or
- (b) in all other circumstances, within twelve months after the passing of those resolutions.

7.6.7 For the purposes of Rule 7.6.4(b)(iii) financial assistance given to a Director or an Associated Person of a Director solely in that person's capacity as a trustee of a bona fide employee share scheme, superannuation scheme, or the like, in which that Director or Associated Person has no beneficial interest, shall be deemed not to be financial assistance given to a Director or Associated Person of a Director.

NZX may waive the prohibition on a Director or Associated Person having a beneficial interest in the scheme in question if NZX is satisfied that the beneficial interest is determined by criteria applying to employees generally, and would not, if all relevant factors were publicly disclosed, reasonably be seen as being materially influenced by the relevant relationships.

7.6.8 Equity Securities:

- (a) of an NZAX Issuer which is not a company registered under the Companies Act 1993; or
- (b) which are not shares of a company registered under the Companies Act 1993;
- (c) may be acquired or redeemed under Rule 7.6.1(b), (c) (f) and 7.6.1(i) if the NZAX Issuer complies with the sections of the Companies Act 1993 referred to in Rule 7.6.1(b), (c) and (f) and (i) on the basis that references in those sections of the Companies Act 1993 to:
- (d) "shares" shall be deemed to be references to all Equity Securities of the Class of Equity Securities which is the subject of the acquisition or redemption and references to "shareholders" shall be read accordingly; and
- (e) "company" shall be deemed, in respect of NZAX Issuers which are not companies registered under the Companies Act 1993, to be references to the NZAX Issuer and references to directors and the board of a company shall be deemed to be references to any person entering into the Listing Agreement on behalf of that NZAX Issuer; and
- (f) "constitution" shall be deemed to be references to the document which governs the rights of those Equity Securities.

7.6.9 Rule 7.6 does not apply to routine buy backs and issues which relate to the manner in which co-operative companies administer their membership (by buying back or issuing shares as members reduce or cease or increase their business with the company).

## **7.7 Vendor Securities**

7.7.1 If Vendor Securities are issued at or about the time of any issue or sale of Securities, or with a view to the issue or sale of those Securities, the Offering Document in respect of those Securities shall state with reasonable prominence either:

- (a) the restrictions which are to be imposed upon the disposal of the effective ownership and control of all or any of those Vendor Securities by the holders of those Vendor Securities (and if the holders are not to be the beneficial owners of those Vendor Securities, by the beneficial owners); or
- (b) that there are no restrictions of the nature referred to in (a).

## **7.8 Security Agreements**

7.8.1 If an Offering Document states, pursuant to Rule 7.7, that restrictions are to be imposed upon disposal of the effective ownership or control of any Securities, then:

- (a) the NZAX Issuer shall enter into an agreement (a "Security Agreement") with the persons to whom those Securities are to be issued, and if those persons are not the beneficial owners of those Securities, those beneficial owners, and with such other persons (if any) as NZX may consider necessary in order to ensure that the restrictions on disposal of effective ownership or control of those Securities can be effectively enforced; and
- (b) that agreement shall be in such form as NZX may require, and shall prohibit the parties to it from taking steps which would cause the effective ownership or control of those Securities to be disposed of otherwise than in accordance with the restrictions specified in the Offering Document and
- (c) Where that agreement provides a discretion for lifting at the imposed restrictions prior to the expiry of an agreed restriction period, the agreement shall stipulate that the exercise of this discretion requires the consent of non-interested Directors of the NZAX Issuer in addition to any other requirements. For this purpose, the term "interested" bears the meaning assigned to that term in section 139 of the Companies Act 1993, on the basis that if an NZAX Issuer is not a company registered under that Act, the reference to the "company" in that section shall be read as a reference to the NZAX Issuer.

7.8.2 The NZAX Issuer shall not agree to variation or amendment of a Security Agreement without the prior approval of NZX and the

NZAX Issuer shall advise NZX immediately if the NZAX Issuer becomes aware of a breach or likely breach of a Security Agreement, and shall in consultation with NZX take such steps as NZX may require to enforce that Security Agreement or prevent or remedy a breach of it.

## **7.9 Rights Issues-Additional Requirements**

- 7.9.1 Letters of entitlement to Rights (whether or not Renounceable) are to be mailed to holders of the Rights within five Business Days of the Record Date for the determination of the entitlement and by means that will give the holders reasonable time to deal with their Rights, whether the holders' addresses are in New Zealand or elsewhere.
- 7.9.2 Without limiting Rule 7.9.1, the closing date and time for applications under Rights issues (whether or not renounceable) shall not be earlier than the 12th Business Day after the day of mailing of the last of the letters of entitlement.
- 7.9.3 The closing date for receipt of renunciations of a Renounceable Rights issue shall be the same date as the closing date for receipt of applications.
- 7.9.4 Entitlements to Rights may be scaled up to a minimum number not greater than a Minimum Holding, and shall be altered to disregard fractions. The announcement of the Rights issue and any Offering Document shall state the terms on these matters.
- 7.9.5 A Renounceable Right shall not entitle the holder of the Right to apply for more than the entitlement of Securities except to enable acquisition of the number of Securities needed to give that holder a Minimum Holding.
- 7.9.6 NZAX Issuers shall use a standard form of renunciation and acceptance previously approved by NZX which shall be distributed with, or form part of, the letter of entitlement. A non-standard form may be used only if
- (a) the non-standard form has been approved by NZX; and
  - (b) the NZAX Issuer agrees to accept the standard "brokers acceptance" form in an emergency; and
  - (c) an adequate supply of the non-standard form is provided by the NZAX Issuer for Trading Participants at least three Business Days before the day appointed for the commencement of trading in the Rights.
- 7.9.7 The terms of a Renounceable Rights Issue shall provide that if the NZAX Issuer receives, on or before the closing date for renunciations, both a renunciation and an acceptance in respect

of the same Right(s), the renunciation shall be given effect in priority to the acceptance.

7.9.8 An NZAX Issuer may apply to NZX for Quotation of Rights under a Rights issue of Securities. Appendix 4 shall be completed and supplied to NZX with the application required by Rule 5.2.1. If such Quotation is granted:

- (a) the Quotation of Rights will commence on the Ex Date for that Rights issue or such other date approved by NZX; and
- (b) the Head Security under the Rights issue will be quoted ex rights on the Ex Date for that Rights issue; and
- (c) Quotation of Rights for a Renounceable Rights issue will cease at the close of trading on the day four Business Days before the closing date for receipt of acceptances and renunciations.

7.9.9 Where a Rights issue is to be made but Quotation is not sought the NZAX Issuer shall give to NZX forthwith after the decision has been made and at least 5 Business Days before the Ex Date, to determine entitlements, on the form in Appendix 4, full details of the issue, including the nature, entitlement and timing of the issue of Rights and conversion, pricing, amounts payable and ranking of Securities for future benefits.

## **7.10 Allotment**

7.10.1 An NZAX Issuer making an issue shall proceed to allotment, within five Business Days after the latest date on which applications for Securities close.

7.10.2 Where the issue price of an issue may be paid by instalments, the NZAX Issuer shall acknowledge payments made in advance of the due date on the advice of allotment.

7.10.3 NZAX Issuers shall ensure that commission statements rendered to Primary Market Participants contain sufficient detail to allow the Primary Market Participants to check allotments to clients.

7.10.4 An NZAX Issuer making an issue shall ensure that on allotment a CSN is recorded for each person to whom the Securities are issued.

## **7.11 Announcements**

7.11.1 Information Required to be Supplied to NZX: Where an NZAX Issuer issues Securities, or acquires Securities of that NZAX Issuer, the NZAX Issuer shall forthwith give to NZX details of the

issue or acquisition, including:

- (a) Class of Security and ISIN; and
- (b) the number issued or acquired; and
- (c) the nominal value (if any) and issue or acquisition price; and
- (d) whether payment was in cash; and
- (e) any amount paid up (if not in full); and
- (f) the percentage of the total Class of Securities issued or acquired; and
- (g) the reason for the issue or acquisition; and
- (h) the specific authority for the issue or acquisition (if any); and
- (i) any terms or details of the issue or acquisition (such as an escrow provision); and
- (j) the total number of Securities of the Class in existence after the issue or acquisition; and
- (k) in the case of an acquisition of shares by an NZAX Issuer which is a company registered under the Companies Act 1993, whether those shares are to be held as Treasury Stock; and
- (l) the dates of issue or acquisition.

For the purposes of this Rule 7.11.1, the sale of Treasury Stock by an NZAX Issuer shall be deemed to constitute an issue of Securities. Without limiting the obligation in this Listing Rule to supply information forthwith, details of the acquisition by an NZAX Issuer of Securities of that NZAX Issuer, and of the sale of Treasury Stock, shall be given to NZX not later than the end of the Business Day in which that acquisition or sale takes place.

- 7.11.2 Where any benefit is to be paid or distributed on Quoted Securities (including dividends, interest or bonus issues) or any Conversion of Securities or call on Securities is to take place, the NZAX Issuer shall give to NZX, forthwith after any Director's recommendation and at least 10 Business Days before the Record Date to determine entitlements or obligations, full details of the benefit, Conversion or call, including the information in the table below. That information shall be supplied in the form set out in Appendix 4 of the Rules.

Event	Information Required
Dividend	<ul style="list-style-type: none"> <li>- Security description</li> <li>- ISIN</li> <li>- Total amount of dividend</li> <li>- Cents per share</li> <li>- Imputation tax credits per share (where applicable to six decimal places)</li> <li>- Withholding tax cents per share (where applicable to six decimal places)</li> <li>- Source of dividend</li> <li>- Payable date</li> <li>- Record Date</li> <li>- Strike price for any issue in lieu of dividend</li> <li>- Excluded income per share (PIE Issuers only, where applicable to six decimal places)</li> <li>- Foreign dividend payment credits per share (where applicable to six decimal places)</li> </ul>
Interest	Details no less than the equivalent required above for a dividend.
Bonus Issue	Full details of the issue including timing, entitlement and tax information.
Conversions	Full details of the nature and timing of the Conversion including pricing, entitlement and conversion ratio information.
Calls	Full details of the call including the Securities affected, and payment details.

7.11.3 Where the date of a call on Quoted Securities has not been stated in an Offering Document, the NZAX Issuer shall notify NZX as soon as a decision has been taken to make a call.

7.11.4 A supplementary dividend paid in terms of the Income Tax Act 2004 shall be deemed not to be a dividend for the purposes of Rule 7.11.2. An NZAX Issuer which pays a supplementary dividend shall notify NZX not less than 10 Business Days before the supplementary dividend is paid of:

- (a) the amount of the proposed supplementary dividend and the amount (in cents) per Security; and
- (b) the date upon which it will be paid.

7.11.5 Where Securities are Convertible at the option of the holder before final maturity the NZAX Issuer shall give notice to NZX,

and all holders of those Securities, of the option to Convert.  
That notice:

- (a) shall be given:
  - (i) if the Securities are Convertible on a fixed date or dates, at least six weeks before each such date; or
  - (ii) if the Securities are Convertible by reason of the occurrence of some event, as soon as practicable after the occurrence of that event, or before the occurrence of that event if it becomes apparent that that event will occur; and
- (b) need not be given if the Securities are Convertible at the option of the holder at any time; and
- (c) shall disclose any option for Conversion which may be exercised at a later date; and
- (d) shall contain a statement to the effect that if a holder of Securities is in any doubt as to whether Conversion is desirable, that holder should seek advice from an Advisor or other financial advisor.

7.11.6 Immediately following each Conversion of Securities (including Options), the NZAX Issuer shall notify NZX of:

- (a) the number of Securities Converted and the number and Class of Securities into which they have been Converted; and
- (b) details of any interest or dividend conditions attaching to the Securities Converted, and allotted upon Conversion; and
- (c) how many Securities of the same Class remain to be Converted.

## **7.12 Early and Late Subscription Closure**

7.12.1 Where an issue is closed before the stated closing date, the NZAX Issuer shall notify NZX thereof forthwith after the closure.

Where an issue is filled (or full subscription is assured) before the stated closing date, NZX recommends that the issue be closed immediately.

7.12.2 An NZAX Issuer shall not extend the closing date for applications to subscribe for new Securities unless, at least five Business Days prior to the original closing date, the NZAX Issuer has notified NZX of the extension, and of the new closing



date. An NZAX Issuer shall not, without the prior consent of NZX, extend a closing date more than once.

**7.13 Notification of Level of Subscription**

7.13.1 Where an offer of Securities has been underwritten, the NZAX Issuer shall notify NZX immediately the undersubscription is ascertained, and in any event not later than five Business Days after the closing date of the offer, whether any of the Securities have been or are to be taken by any underwriter or any sub-underwriter in any capacity and if so, how many were or are to be taken up in that way.

7.13.2 Where an offer of Securities has not been underwritten, the NZAX Issuer shall notify NZX of any undersubscription immediately the undersubscription is ascertained, and in any event not later than five Business Days after the closing date of the offer. In the case of a Renounceable issue, NZX must be notified of any undersubscription of an issue which is not underwritten within five Business Days after the closing date for applications and renunciations.

## NZAX Listing Rules

### Section 8: Voting Rights and Rights of Equity Securities

8

#### 8.1 Voting

- 8.1.1 Securities of an NZAX Issuer may carry different numbers of Votes including “no votes.”

Securities which carry different numbers of Votes per Security, will constitute different Classes, notwithstanding that their other rights and privileges may be identical.

- 8.1.2 The Constitution of an NZAX Issuer may contain a provision allowing Votes attaching to a Class of Securities to vary from time to time by reference to the economic value of a part or division of the NZAX Issuer's operations (which economic value may be ascertained by reference to the market price of Securities linked to that part or division).

- 8.1.3 Each Security which is not fully paid shall carry only a fraction of the Vote which would be exercisable if the Security were fully paid. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited and amounts paid in advance of a call).

1. Bonus shares credited as fully paid carry a full Vote because zero cents per share is paid and the total paid and payable is zero cents.

2. Example:

A company issues shares at an issue price of 20 cents each, paid to 1 cent and with further 18 cents credited, leaving 1 cent to pay. The voting entitlement of the share is one-half of a Vote because the 18 cents that is credited is ignored when calculating amounts paid and payable for this purpose. If the amount actually paid is 19 cents, the voting entitlement is 95% of a Vote. If 10 cents was paid and 10 cents to pay, the voting entitlement would be one-half even if the 10 cents to be paid was paid in advance of the call.

- 8.1.4 An Option must not confer the right to participate in a Rights issue unless the Option:

- (a) is exercised before the Record Date for the Rights issue; or
- (b) was issued under a pro rata offer made pursuant to Rule 7.3.4, to the holders of Quoted Equity Securities; or

- (c) was issued with the approval of holders of Quoted Equity Securities, and the Option holder can participate in a new issue to the holders of the underlying Securities in accordance with the terms of such an Option:

Provided that nothing in this Rule 8.1.4 shall apply to any Option which was issued prior to the coming into force of this Rule or Listing of an NZAX Issuer.

8.1.5 An Option must not confer the right to a change in the exercise price or number of underlying Securities, except if that Option:

- (a) was issued with the approval of holders of Quoted Equity Securities, then the exercise price or number of underlying Securities may change in accordance with the formula or provision contained in the terms of the Option if there is a Rights issue to the holders of the underlying Securities; or
- (b) was not issued with the approval of holders of Quoted Securities and there is a Rights issue to the holders of the underlying Securities, then the exercise price of that Option may be reduced according to the formula set out as follows:

$O^1 =$	$O -$	$\frac{E[P - (S + D)]}{N + 1}$
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- $O^1$  = the new exercise price of the Option.  
 $O$  = the Old exercise price of the Option.  
 $E$  = the number of underlying Securities into which one Option is exercisable.  
 [Note:  $E$  is generally one unless the number has changed because of a bonus issue or capital change.]  
 $P$  = the average market price per share (weighted by reference to volume) of underlying Securities during the 5 Business Days ending on the day before the Rights date.  
 $S$  = the subscription price for a Security under the Rights issue.  
 $D$  = the dividend (in the case of a trust, distribution) due but not yet paid on the existing underlying Securities (except those to be issued under the Rights Issue).  
 $N$  = the number of Securities with Rights or entitlements that must be held to receive a Right to one new Security.

Provided that nothing in this Rule shall apply to any Option which was issued prior to the coming into force of this Rule or Listing of an Issuer.

Example: The capital of a company comprises ordinary shares at an issue price of 20 cents each and Options over unissued ordinary shares exercisable at \$1.00 each. The company announces a 4:7 Rights issue. There is no dividend payable. The issue price for the shares under the Rights issue is \$2.00. The average price that ordinary shares trade at over the 5 Business days ending on the day before the ex Rights date or ex entitlement date is \$3.00 after the announcement. To receive one Right a shareholder must hold 1.75 ordinary shares ( $7 \div 4 = 1.75$ , which is N). The amount by which the exercise price of an Option is to be reduced is calculated as follows:

$$O^1 = O - \frac{E[P-(S+D)]}{N + 1}$$

$$= 1 - 1[3.00-(2.00+0)]$$

The new exercise price of the option is 63.6364 cents and the Option holder has gained the benefit of any bonus element in the rights issue. This benefit is the same as that conferred on shareholders. There is no change in the number of shares to which the Option holder is entitled. At the time when the Option is exercised, it may be necessary to round up or round down any fraction of a cent remaining after aggregating the exercise price of each of the Options exercised by the holder.

- 8.1.6 If there is a bonus issue to the holders of the underlying Securities the number of Securities over which an Option is exercisable may be increased (or additional Securities may be reserved for issue on exercise of an Option) by the number of Securities which the holder of the Option would have received if that Option had been exercised before the Record Date for the issue.

**Example:**

The capital of a company comprises ordinary shares of \$1.00 each and Options over unissued ordinary shares exercisable at \$1.00 each. The entity makes a 1:1 bonus issue. An Option holder with 1000 Options with a total exercise amount payable of \$1,000 will then have an entitlement to 2000 Securities for a total exercise amount payable of \$1,000. Each Option is exercisable for \$1.00 and entitles the holder to 2 shares. The exercise amount payable per Option stays the same (i.e. \$1.00). If the entity subsequently has a further 1:1 bonus issue, the Option holder would become entitled to 4000 Securities for a total exercise amount payable of \$1,000. Each Option is exercisable for \$1.00 and entitles the holder to 4 shares. The exercise amount payable per Option stays the same (i.e., \$1.00).

- 8.1.7 If there is a consolidation or subdivision or similar proportionate reconstruction of the underlying Securities, the number of Securities over which an Option is exercisable may be consolidated or subdivided in the same ratio and the exercisable price amended in inverse proportion to that ratio.

**8.2 Lien and Forfeiture**

- 8.2.1 Except in the case of a Non-Standard NZAX Issuer, an NZAX Issuer's lien on Equity Securities and on dividends or other distributions from time to time declared in respect of such Securities shall be restricted to one in respect of:
- (a) unpaid calls, installments, premiums or other amounts, and any interest payable on such amounts, relating to the specific Securities; and
  - (b) such amounts as the NZAX Issuer may be called upon to pay under any legislation in respect of the specific Securities.
- 8.2.2 If Equity Securities are forfeited and sold or are sold to enforce a lien, any residue after the satisfaction of unpaid calls, installments, premiums or other amounts and interest thereon, and expenses, shall be paid to the previous owner, or to the executors, administrators or assigns of the previous owner.
- 8.2.3 Equity Securities shall not be liable to forfeiture for the failure of persons entitled thereto (by transmission or otherwise) to submit evidence of title within a specified time.

### 8.3 Modification of Rights of Security Holders

8.3.1 Every NZAX Issuer shall comply with the provisions of sections 116 and 117 of the Companies Act 1993, whether or not the NZAX Issuer is a company registered under that Act. For the purposes of this Rule, those sections shall be deemed to be modified so that:

- (a) references in those sections to "shares" shall (subject to Rule A4.3.2) be deemed to include references to all Equity Securities of that NZAX Issuer, and references to "shareholders" shall be read accordingly;
- (b) in respect of NZAX Issuers which are not companies registered under the Companies Act 1993, references to the "company" shall be deemed to be references to the NZAX Issuer, and references to pre-emptive rights under section 45 of that Act shall be deemed to be deleted from those sections; and
- (c) in respect of Equity Securities which are not shares of a company registered under the Companies Act 1993:
  - (i) references to a special resolution shall be deemed to be references to a resolution approved by a majority of 75% of votes of the holders of those Securities entitled to vote and voting; and
  - (ii) references to the constitution shall be deemed to be references to the document which governs the rights of those Equity Securities.

8.3.2 An NZAX Issuer shall be required by Rule 8.3.1 to comply with sections 116 and 117 of the Companies Act 1993 but shall not be required by the modifications deemed to be made thereto by Rule 8.3.1 to comply with those sections in respect of actions that affect the rights attached to:

- (a) Equity Securities which are not Quoted; or
- (b) Equity Securities which are not shares of a company if:
  - (i) those Equity Securities were issued before 30 April 1995; or
  - (ii) those Equity Securities were issued on terms which expressly permitted the action in question to be taken without the prior approval of holders of those Equity Securities, and those terms were clearly disclosed in the Offering Document (if any) pursuant to which those Equity Securities were offered.

8.3.3 Rule 8.3.1 shall not have the effect of deeming section 118 of the Companies Act 1993 to apply to any Securities other than shares of a company registered under the Companies Act 1993.

#### **8.4 Cancellation of Unpaid Amounts**

8.4.1 No obligation to pay any amount which is unpaid on any Equity Security shall be cancelled, reduced or deferred without the authority of an Ordinary Resolution of the NZAX Issuer.

1. No vote in favour of any such resolution shall be cast by any person (or by any Associated Person of that person) who is intended to benefit from the reduction, deferral or cancellation, unless the reduction, deferral or cancellation benefits all holders of Equity Securities of the NZAX Issuer on the same basis.
2. Any agreement involving a transaction referred to in this Rule must comply with Rule 1.9.

#### **8.5 Sale of Minimum Holdings**

8.5.1 The Constitution of an NZAX Issuer may prescribe procedures entitling the NZAX Issuer, after giving not less than three months prior notice to holders of Securities of less than a Minimum Holding to sell such Securities (through NZX or in some other manner approved by NZX) and to account to the Holders for the proceeds of sale after deduction of reasonable sale expenses.

## NZAX Listing Rules

### Section 9: Transactions with Related Parties and Major Transactions

#### 9.1 Disposal or Acquisition of Assets

9.1.1 An NZAX Issuer shall not (subject to Rule 9.1.3) enter into any transaction or series of linked or related transactions to acquire, sell, lease, exchange, or otherwise dispose of (otherwise than by way of charge) assets of the NZAX Issuer or assets to be held by the NZAX Issuer:

- (a) which would change the essential nature of the business of the NZAX Issuer; or
- (b) in respect of which the gross value is in excess of 50% of the Average Market Capitalisation of the NZAX Issuer;

except:

- (c) with the prior approval of an Ordinary Resolution of the NZAX Issuer or a special resolution if that NZAX Issuer must obtain approval of the transaction or transactions by a special resolution under section 129 of the Companies Act 1993; or
- (d) following a Pre Break Announcement, and satisfaction of the other requirements of Rule 10.2.

9.1.2 The notice of meeting containing the resolution to approve any transaction referred to in Rule 9.1.1 shall contain or be accompanied by such information, reports, valuations, and other material as are necessary to enable the holders of Securities to appraise the implications of the transactions.

9.1.3 Rule 9.1.1 shall not apply to:

- (a) a takeover offer made by an NZAX Issuer:
  - (i) in respect of a Code Company in accordance with any takeovers code approved under the Takeovers Act 1993; or
  - (ii) in respect of an NZAX Issuer that is not a Code Company but to whom section 4 applies, in accordance with the Constitution or Trust Deed of that other NZAX Issuer which complies with section 4 where that other NZAX Issuer is not a Code Company; or
  - (iii) in relation to any other person, in accordance with any takeover law regime of a jurisdiction other than New Zealand which is applicable to that person and provides for prior notice, publicity and disclosure which in the opinion of NZX is at least as useful to the recipients of the offer as the requirements of one or more of



the provisions referred to in (i) or (ii); or

- (b) any transaction entered into by an NZAX Issuer with a Bank as principal, on arms length terms and in the ordinary course of its banking business.

1. The attention of NZAX Issuers is drawn to:
  - (a) the provisions of section 129 of the Companies Act 1993, requiring the approval of a special resolution of shareholders to "major transactions" as defined in that section; and
  - (b) Rule 1.12, dealing with conditions to be included in contracts relating to transactions subject to the approval of a resolution under Rule 9.1 of the Rules.
2. The provisions of the definition of NZAX Issuer in Rule 1.6.6 apply to Rule 9.1 to deem references to the NZAX Issuer to extend to the group comprised of the NZAX Issuer and its Subsidiaries where the context permits.
3. NZX may waive application of Rule 9.1 where, due to deterioration in the financial position of the NZAX Issuer, the Average Market Capitalisation of the NZAX Issuer has reduced to such an extent that the Rule imposes an unreasonable restriction on the ability of the NZAX Issuer to realise assets.
4. The notice of meeting must be approved by NZX pursuant to Rule 6.1.
5. Rule 9.1.3 stipulates that in the transaction in question the Bank must be acting as principal.

## **9.2 Transactions with Related Parties**

9.2.1 An NZAX Issuer shall not enter into a Material Transaction if a Related Party is, or is likely to become:

- (a) a direct or indirect party to the Material Transaction, or to at least one of a related series of transactions of which the Material Transaction forms part; or
- (b) in the case of a guarantee or other transaction of the nature referred to in paragraph (c) of the definition of Material Transaction, a direct or indirect beneficiary of such guarantee or other transaction,

unless that Material Transaction is approved by an Ordinary Resolution of the NZAX Issuer.

1. NZX may waive the requirement to obtain the approval of a resolution for the purposes of Rule 9.2.1 if it is satisfied that the personal connections with, or involvement or personal interest of a Related Party are immaterial or plainly unlikely to have influenced the promotion of the proposal to enter into the transaction or its terms and conditions.
2. NZX may waive the requirement to obtain the approval of a resolution for the purposes of Rule 9.2.1 in respect of the annual or other renewal or re-negotiation of transactions which have been approved by a resolution under Rule 9.2.1, if the NZAX Issuer produces a report from a suitable independent person as to the fairness of the terms of the renewal or re-negotiation.
3. Any agreement involving a transaction referred to in this Rule must comply with Rule 1.12.
4. The relevant time for an NZAX Issuer to determine whether or not a Related Party is or is likely to become a direct or indirect party to a Material Transaction, or at least one of a related series of transactions of which the Material Transaction forms part is at the time of entry into that transaction.

9.2.2 For the purposes of Rule 9.2.1, "Material Transaction" means a transaction or a related series of transactions whereby an NZAX Issuer:

- (a) purchases or otherwise acquires, gains, leases (as lessor or lessee) or sells or otherwise disposes of, assets having an Aggregate Net Value in excess of 10% of the Average Market Capitalisation of the NZAX Issuer; or
- (b) issues its own Securities or acquires its own Equity Securities having a market value in excess of 10% of the Average Market Capitalisation of that NZAX Issuer, save in the case of an issue pursuant to Rule 7.3.5 where only the value of those Securities being issued to the Related Party or to any Employees (as defined in Rule 7.3.6) of the Issuer are to be taken into account; or
- (c) borrows, lends, pays, or receives, money, or incurs an obligation, of an amount in excess of 10% of the Average Market Capitalisation of the NZAX Issuer; or
- (d) enters into any guarantee, indemnity, or similar obligation, or gives any security, for or of obligations which could expose the NZAX Issuer to liability in excess of 10% of the Average Market Capitalisation of the NZAX Issuer; or
- (e) provides or obtains any services (including without limitation the underwriting of Securities or services as an employee) in respect of

which the actual gross cost to the NZAX Issuer in any financial year (ignoring any returns or benefits in connection with such services) is likely to exceed an amount equal to 1.5% of the Average Market Capitalisation of the NZAX Issuer or;

- (f) amalgamates, except for amalgamations of a wholly owned Subsidiary with another wholly owned Subsidiary or with the NZAX Issuer.

For the purposes of this Rule, "Aggregate Net Value" as used in Rule 9.2.2 means the net value of those assets calculated as the greater of the net tangible asset backing value (from the most recently published financial statements) or market value.

1. Transactions in Securities are to be treated as transactions in the assets the value of which underlies or is reflected in the Securities.
2. In assessing whether payments under an employment agreement with a Related Party are likely to exceed the thresholds in Rule 9.2.2(e), the NZAX Issuer must have regard to the total maximum amount that could become payable in any one financial year.

9.2.3 For the purposes of Rule 9.2.1, "Related Party" means a person who is at the time of a Material Transaction, or was at any time within six months before a Material Transaction:

- (a) a Director or executive officer of the NZAX Issuer or any of its Subsidiaries; or
- (b) the holder of a Relevant Interest in 10% or more of a class of Equity Securities of the NZAX Issuer carrying Votes; or
- (c) an Associated Person of the NZAX Issuer or any of the persons referred to in (a) or (b), other than a person who becomes an Associated Person as a consequence of the Material Transaction itself (or an intention or proposal to enter into the Material Transaction itself); or
- (d) a person in respect of whom there are arrangements other than the Material Transaction itself, intended to result in that person becoming a person described in (a), (b), or (c), or of whom the attainment of such a status may reasonably be expected, other than as a consequence of the Material Transaction itself;

but a person is not a Related Party of an NZAX Issuer if:

- (e) the only reason why that person would otherwise be a Related Party of the NZAX Issuer is that a Director or executive officer of the NZAX Issuer is also a Director of that person, so long as:
  - (i) not more than one third of the Directors of the NZAX Issuer are

also Directors of that person; and

- (ii) no Director or executive officer of the NZAX Issuer has a material direct or indirect economic interest in that person, other than by reason of receipt of reasonable Director's fees or executive remuneration; or
- (f) that person is a Subsidiary of, incorporated joint venture of, or unincorporated joint venture participant with, the NZAX Issuer and:
  - (i) no Related Party of the NZAX Issuer has or intends to obtain a material direct or indirect economic interest in that Subsidiary, joint venture, or joint venture participant, other than by reason of receipt of reasonable Director's fees or executive remuneration; and
  - (ii) the NZAX Issuer is entitled to participate, directly or indirectly, in at least one half of the income or profits, and the assets, of that person.

9.2.4 Rule 9.2.1 shall not apply to:

- (a) any transaction entered into by an NZAX Issuer with a Bank which is a Related Party of that NZAX Issuer as principal, on arm's length terms and in the normal course of its banking business; or
- (b) the issue, acquisition or redemption by an NZAX Issuer of Securities of that NZAX Issuer, or the giving by an NZAX Issuer of financial assistance for the purposes of, or in connection with, the purchase of Securities, or the payment of a distribution to holders of Securities, if all holders of Securities of the Class in question are treated in the same way, so that each such holder has an opportunity to receive the same benefit in respect of each Security held by that holder except to the extent that an issue excludes holders outside New Zealand in accordance with Rule 7.3.4(h). For the purposes of this paragraph, the transfer, by an NZAX Issuer which is a company registered under the Companies Act 1993, of shares held by that company in itself, shall be deemed to constitute an issue of Securities; or
- (c) the issue of Equity Securities by an NZAX Issuer under Rule 7.3.4 or Rule 7.3.9(e); or
- (d) an employment contract or contract for personal services with an NZAX Issuer which is a Material Transaction under Rule 9.2.2(e), where:
  - (i) the terms of the contract are set on an arm's length, commercial basis and have been approved by the Independent Directors of the NZAX Issuer; and
  - (ii) the Independent Directors approving the contract sign and deliver to NZX a certificate stating Rule 9.2.4(d)(i) has been complied

with; and

- (iii) material particulars of the contract (including the NZAX Issuer's use of this exception) are disclosed in the next annual report of the NZAX Issuer; or
- (e) any transaction indemnifying any Director or Employee (as defined in Rule 7.3.6 ) of the NZAX Issuer or any Related Company which would be a Material Transaction under Rule 9.2.2(d), where such Director or Employee, at the time the indemnity is to be granted, has not been involved in any proceedings, threatened proceedings or circumstances in any capacity which are likely to result in a claim by the Director or Employee under the proposed indemnity; or
- (f) arrangements, amalgamations or compromises pursuant to Part XV of the Companies Act 1993; or
- (g) in relation to any Non Standard NZAX Issuer which is a co-operative company, any transaction or proposed transaction with a Related Party which is in the ordinary course of business of that NZAX Issuer and which falls within section 29(g) of the Co-operative Companies Act 1996; or
- (h) a Material Transaction that is an employment agreement with a natural person who is not a director within the meaning of section 126 of the Companies Act 1993 of the NZAX Issuer or any of its Subsidiaries.

1. Where the Independent Directors of an NZAX Issuer are satisfied that the criteria in Rule 9.2.4(a) are satisfied no application need be made by that NZAX Issuer to NZX for approval of that transaction and no shareholder ratification of that transaction is required. The Rule stipulates that in the transaction in question the Bank must be acting as principal. The intention of this is to exclude a transaction such as one in which a Bank acts as agent of a third party.
2. Rule 9.2.4(c) allows the Independent Directors to approve an employment contract or contract for personal services. The material particulars required to be disclosed in the annual report will include particulars entered in a company's interests register under section 161 of the Companies Act 1993.

9.2.5 The text of any resolution to be put to a meeting of an NZAX Issuer for the purposes of Rule 9.2.1 shall be set out in the notice of the relevant meeting. That notice shall:

- (a) be approved by NZX in accordance with Rule 6.1; and
- (b) be accompanied by a certificate from the Directors (other than any Director who is interested in the transaction) certifying that the terms of the transaction are fair and reasonable to shareholders and in the best

interests of the NZAX Issuer; and

- (c) contain such other material as is necessary to enable the holders of Securities of the NZAX Issuer to decide whether the transaction price and terms are fair.

### 9.3 Voting Restrictions

9.3.1 Notwithstanding anything to the contrary in the Rules, on any resolution of the nature listed in column 1 of the table below, no Vote in favour of any such resolution shall be cast on any Securities held by a person of the nature listed in respect of that resolution in column 2 of the table below, or by any Associated Person of such a person.

<b>Column 1 RESOLUTION</b>	<b>Column 2 DISQUALIFIED PERSON</b>
Resolutions under Rules 3.5.1 and 3.5.2	The Director intended to receive a payment.
Resolution under Rule 7.3.1	Subject to Rule 9.3.2: (a) Any person to whom it is proposed to issue the new Securities referred to in the resolution; or (b) If the resolution does not specify the persons to whom it is proposed to issue Securities, any Director of the NZAX Issuer who is not excluded by the terms of the resolution from participation in the issue.
Resolution under Rule 7.3.1 to approve a Rights issue of Equity Securities which is not Renounceable	Any Director of the NZAX Issuer.
Resolution under Rule 7.3.5(a)(iii)	Any person who has been issued, or has acquired, Securities the subject of ratification by that resolution.
Resolution under Rule 7.3.6	Any Director intended or likely to benefit from the issue referred to in the resolution.
Resolution under Rule 7.5	Any person whose effective control of the NZAX Issuer would be materially increased.
Resolution under Rule 8.4	Any person who is intended to benefit from the reduction, deferral, or cancellation, unless the reduction, deferral, or cancellation benefits all holders of Equity Securities of the NZAX Issuer on the same basis.
Resolution under Rule 9.2.1	Any person referred to in Rule 9.2.3 who is a party or beneficiary (in terms of Rule 9.2.1(a) or (b)) to or of the transactions the subject of the resolution.

9.3.2 On a resolution under Rule 7.3.1, a person to whom it is proposed to issue the new Securities referred to in that resolution is not disqualified from voting if the new Securities are to be offered on the same basis to all holders of

Securities of the same Class as the Securities held by that person.

9.3.3 Rule 9.3.1 shall not prevent a person disqualified from Voting under that Rule, who has been appointed as a proxy or Voting representative by another person who is not disqualified from Voting under that Rule, from Voting in respect of the Securities held by that other person in accordance with the express instructions of that other person.

1. Rule 9.3.1 prohibits a disqualified person from exercising discretionary proxies. Disqualified persons are only able to exercise proxies where the Security holder has provided that disqualified person with an express instruction setting out how to exercise that Security holder's vote. "Express instructions" exclude instructions that give the proxy holder a discretion how to exercise that Security holder's vote as that proxy holder sees fit.
2. Examples of express instructions include:
  - an instruction to vote for or against a particular resolution; or
  - an instruction that the proxy holder should vote for or against a resolution in accordance with the Chairperson's vote on that resolution.

9.3.4 Each NZAX Issuer shall use reasonable endeavours to ascertain, no later than five Business Days before any meeting to consider a resolution referred to in Rule 9.3.1, the identity of holders of Security who are disqualified from voting on that resolution pursuant to Rule 9.3.1, and on request shall supply a list of such holders to NZX and any holder of Equity Securities of the NZAX Issuer.

9.3.5 Without prejudice to any remedy (other than those which take legal effect against the NZAX Issuer concerned) which any holder of Securities may have against any disqualified person who casts a Vote at a meeting in breach of Rule 9.3.1, no resolution of, or proceeding at, that meeting shall be impugned on the basis of a breach of Rule 9.3.1. Any objection by a holder of Securities to the accuracy or completeness of any list provided pursuant to Rule 9.3.1 shall be disregarded by the NZAX Issuer and the chairman of the relevant meeting if it is notified to the NZAX Issuer later than one full Business Day before the time fixed for commencement of the meeting.

## NZAX Listing Rules

### Section 10: Disclosure Information

#### 10.1 Continuous Disclosure-Material Information

10.1.1 Without limiting any other Rule, every NZAX Issuer shall:

- (a) once it becomes aware of any Material Information concerning it, immediately release that Material Information to NZX, provided that this Rule shall not apply when:
  - (i) a reasonable person would not expect the information to be disclosed; and
  - (ii) the information is confidential and its confidentiality is maintained; and
  - (iii) one or more of the following applies:
    - (A) the release of information would be a breach of law; or
    - (B) the information concerns an incomplete proposal or negotiation; or
    - (C) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
    - (D) the information is generated for the internal management purposes of the Issuer; or
    - (E) the information is a trade secret.

In this Rule 10.1.1, an Issuer is aware of information if a Director or an executive officer of the Issuer (and in the case of a Managed Fund, a Director or executive officer of the Manager) has come into possession of the information in the course of the performance of his or her duties as a Director or executive officer.

- (b) not disclose any Material Information to the public, other Recognised Stock Exchanges (except as provided for in Rule 10.3.3(c)(i)) or other parties except those parties to whom the proviso to Rule 10.1.1(a) applies:
  - (i) prior to disclosing that Material Information to NZX; and
  - (ii) prior to an acknowledgement from NZX of receipt of



that Material Information.

- (c) release Material Information to NZX to the extent necessary to prevent development or subsistence of a market for its Quoted Securities which is materially influenced by false or misleading information emanating from:
- (i) the NZAX Issuer or any Associated Person of the Issuer; or
  - (ii) other persons in circumstances in each case which would give such information substantial credibility, and which is of a reasonably specific nature whether or not Rule 10.1.1(a) applies.

1. The following information is likely to be Material Information under this Rule 10.1.1:
  - a change in the Issuer's financial forecast or expectation.
  - the appointment of a receiver, manager, liquidator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Issuer or any of its Subsidiaries.
  - a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the entity's consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case.
  - a change in the control of the Manager of a Managed Fund, or a change of trustee of a Listed trust.
  - a proposed change in the general character or nature of a Listed trust.
  - a recommendation or declaration of a dividend or distribution.
  - a recommendation or decision that a dividend or distribution will not be declared.
  - undersubscription or oversubscription to an issue.
  - a copy of a document containing market sensitive information that the entity lodges with an overseas stock exchange or other regulator which is available to the public. The copy given to NZX must be in English.

- giving or receiving a notice of intention to make a takeover.
  - any proposed change in the general nature of the business of an Issuer or its group.
  - a disposal or acquisition (including entering into any agreement or option to do so) of Quoted Securities of another Issuer carrying 5% or more of the Votes attaching to any Class of Securities of that Issuer.
  - the acquisition or disposition of Securities in the Issuer carrying 5% or more of the Votes attaching to any Class of Securities of that Issuer.
  - acquisition or disposition, by whatever means of assets of any nature (including entering into any agreement or option to do so) where the gross value of those assets, or the consideration paid or received by the Issuer, represents more than 10% of the Average Market Capitalisation of the Issuer.
2. Where an NZAX Issuer discloses a transaction as Material Information, Rule 10.1.1 will generally require disclosure of all material details of the transaction, including:
- a description of the assets or securities acquired or disposed of;
  - the amount, composition, and method of payment of the consideration;
  - where securities are acquired or disposed of, the percentage of the total issued Securities of each Class represented and the percentage of each Class of Security held following the acquisition or disposition; and
  - the nature of any material conditions which may result in the transaction not proceeding and the dates on which the transactions:
    - (i) are to become unconditional; and/or
    - (ii) are to be settled by payment:
3. For the purpose of Rule 10.1.1(a)(i), a “reasonable person” would not expect the information to be disclosed if the release of the information would:
- (i) unreasonably prejudice the Issuer; or
  - (ii) provide no benefit to a person who commonly invests in securities.
4. It is a requirement of the exception to this Rule 10.1.1 that the information is confidential. In this context “confidential” has the sense “secret”

5. Once the information is received by any person who is not bound by any corresponding obligation of confidentiality with which that person is likely to comply the exception no longer applies and the information must be disclosed to NZX. This is the case even if the Issuer has entered into confidentiality arrangements and/or the information has come from a source other than the Issuer.
6. NZX accepts that information provided by the Issuer to:
  - (a) a professional advisor;
  - (b) a party negotiating on the Issuer's behalf;
  - (c) a third party negotiating with the Issuer; or
  - (d) a regulatory authority,

does not lose its confidentiality, provided that in each case the information was provided with an obligation to maintain its confidentiality and such information is used by the party to whom it was provided solely for the purpose for which it was provided.
7. NZX also accepts that information provided by the Issuer to a holding company for the purposes of enabling that holding company to comply with its financial reporting obligations does not lose its confidentiality, provided that the information is provided subject to an obligation to maintain its confidentiality and use the information solely for financial reporting purposes, and such information is used by the party to whom it was provided solely for the purpose for which it was provided and is kept confidential.
8. The duty to disclose to NZX is not intended to supersede any desirable communication directly with holders of Securities, whether by way of letter or otherwise. However Issuers must appreciate that disclosure to holders in bare compliance with any legal obligations is not sufficient for an Issuer.
9. The duty to correct false information in the market is limited so that antagonists cannot force information out of an Issuer simply by generating a false rumour. The market's interest in requiring correction of false rumours is intended to be limited to those which are of a reasonably specific nature and from a source which lends substantial credence to them.
10. In deciding whether or not to release information, NZAX Issuers should have regard to:

- (a) Rule 1.6.6, the effect of which is to aggregate a group of entities for disclosure purposes;
- (b) section 178 of the Companies Act 1993, dealing with the rights of shareholders to require the provision of information by a company;
- (c) Part 1 of the Securities Markets Act 1988, dealing with insider trading; and
- (d) the Fair Trading Act 1986, and in particular the sections dealing with the supply of information that is or is likely to be misleading or deceptive.

An Issuer should also be guided by the principle that if in doubt it should disclose the information.

10.1.2 Without limiting any other Rule, every NZAX Issuer shall, where that information constitutes Material Information, disclose to NZX immediately upon entry into that arrangement, all arrangements (other than within the group comprised of the Issuer and its wholly owned Subsidiaries) that Members of the Public (in relation to Equity Securities of the Issuer) might reasonably consider confer terms materially more favourable to the other parties to that arrangement than would be conferred in an arm's length negotiation, including, without limitation:

- (a) any arrangements by the Issuer with any Director or Associated Persons of a Director or with any Holder of Equity Securities of the Issuer who is not a Member of the Public; and
- (b) entry into any agreement or arrangement which will require the approval of a resolution under Rule 9.2.1.

10.1.3 All information given to NZX by or on behalf of an Issuer, including papers or documents of any nature, shall become and remain the property of NZX, which may, in its absolute discretion copy any such papers or documents and (subject to Rule 10.3.4) disseminate such information to the public, news media or any other interested party as it thinks fit.

10.1.4 Every Issuer shall, so far as is reasonably possible without materially adversely affecting the business of the Issuer, avoid entering into any obligation to any person which would have the effect of prejudicing the Issuer's ability to comply freely with the provisions of Rule 10.1.1.

## 10.2 Pre Break Disclosure

10.2.1 No NZAX Issuer shall:

- (a) issue or acquire or redeem Equity Securities; or

- (b) confer an entitlement to holding the Securities of a third party; or
- (c) enter into any transaction; or
- (d) otherwise do any act or thing;

specified in Rules 7.3.1, 7.4, 7.6.1, or 9.1 (together referred to as “transaction”), otherwise than in accordance with the provisions set out in section 7 of the Rules or Rule 9.1 for the entering into or conduct of such transactions, unless, at least 10 Business Days prior to the entering into or conducting of such transaction, or prior to such transaction becoming unconditional, as the case may be, the NZAX Issuer has released a Pre Break Announcement to the market and the Constitution of the NZAX Issuer permits it to adopt such a procedure.

10.2.2 In addition to such transaction being subject to the expiry of the 10 business day Pre Break Announcement period, such transaction shall also be conditional upon no special meeting of shareholders being called pursuant to section 121 of the Companies Act 1993, within that 10 day period.

10.2.3 A Pre Break Announcement shall be provided to NZX for approval, pursuant to Rule 6.1, at least 10 Business Days prior to the proposed release date and must contain the following:

- (i) a certificate from the Directors (other than any director who is interested in the transaction) certifying that the terms of the transaction are fair and reasonable to Security holders and in the best interests of holders of Securities;
- (ii) sufficient explanation to enable a Security holder to understand the proposed transaction;
- (iii) sufficient explanation to enable a Security holder to understand the effect of the proposed transaction;
- (iv) the particulars of all interests of the Directors in the transaction;
- (v) confirmation that pursuant to section 121 of the Companies Act 1993 where shareholders holding shares together carrying not less than 5% of the voting rights entitled to be exercised on this transaction, submit a written request, the Board must call a special meeting of shareholders; and
- (vi) in relation to the advice in paragraph (e) above, the contact details for the NZAX Issuer for the

acceptance of a “written request” under section 121 of the Companies Act 1993.

Nothing in this Rule shall derogate from any legal obligations that such NZAX Issuers might have at law, such as those obligations provided for under the Companies Act 1993 and the Securities Act 1978.

The following information should be included in the Pre Break Announcement where applicable:

- the precise terms and conditions of the specific proposal;
- the number of Securities to be issued, acquired, or redeemed or, if the number is not known, the formula to be applied to determine the number, and the maximum number which may be issued, acquired or redeemed;
- the purpose of the issue, acquisition or redemption;
- the issue, acquisition or redemption price, or if the price is not known, the formula to be applied to determine the price, and the time or times for payment with sufficient detail to enable holders to ascertain the terms of issue, acquisition or redemption to or from any party;
- the party or parties to whom the Securities are to be issued, or from whom they are to be acquired, where that is known, and in all cases identifying by name any such parties who are Directors or Associated Persons of the NZAX Issuer or any Director;
- in the case of an issue, the consideration for the issue and where that is cash, the specific purpose for raising the cash;
- the period of time within which the issue, acquisition or redemption will be made;
- in the case of an issue, the ranking of the Securities to be issued for any future benefit; and
- in the case of a resolution under Rule 7.6.5 authorising the giving of financial assistance, the amount and full terms of that assistance, and the party or parties to whom that assistance is to be given, identifying by name any such parties who are Directors or Associated Persons of the NZAX Issuer or any Director.

### **10.3 Form and Disclosure of Communication**

10.3.1 All information provided to NZX by an NZAX Issuer shall:

- (a) where that information is delivered using NZX’s Market Announcement Platform, comply with the required forms or

templates (with such alterations and completions as are satisfactory to NZX) relevant for that information as are available through NZX's Market Announcement Platform; or

- (b) where that information is delivered in the manner specified in Rule 10.3.2(b)(ii), be in an electronic format or specification approved by NZX for that purpose; and
- (c) where that information is delivered in either of the manners specified in Rule 10.3.2(b), be on letterhead of the NZAX Issuer, and shall be dated and attributed to an authorised officer of the NZAX Issuer, whose name and position shall be set out;

and shall be in a format which is convenient for NZX to process and relay by the same means to other subscribers of any information service offered by NZX.

10.3.2 All announcements for public release to the market by NZX shall either:

- (a) be delivered to NZX using NZX's Market Announcement Platform made available by NZX for this purpose; or
- (b) be addressed to Listed Company Relations, New Zealand Exchange Limited; and
  - (i) telecommunicated to: Telephone (04) 472 7590  
Fax (04) 473-1470
  - (ii) sent by electronic mail to: [announce@nzx.com](mailto:announce@nzx.com)

Without limiting any other Rule, NZX may require an NZAX Issuer to use such forms or templates (with such alterations and completions as are satisfactory to NZX) as may be required by NZX from time to time. NZX may charge an administrative fee as determined by NZX, for receipt and processing of announcements delivered in either of the manners specified in Rule 10.3.2(b).

10.3.3 All announcements for public release to the market by NZX shall be:

- (a) sent to NZX on a Business Day during market trading hours or half an hour before or after market trading hours. Announcements received up to half an hour after market trading hours will be released to the market and media on the day of receipt. Announcements received after that time will be held over until the following Business Day and shall not be released by the NZAX Issuer to any other party, including the media, until half an hour before the market

opens on the following Business Day; and

- (b) in the case of long or complex documents or announcements, prefaced by a summary of salient points. The summary shall be in a form suitable for immediate transcription and dissemination by NZX without substantial editing, specifically drawing attention to the features by reason of which the information is required to be disclosed pursuant to the Rules; and
- (c) released to NZX:
  - (i) in the case of an NZAX Issuer listed on a Recognised Stock Exchange, before or at the same time as it releases the announcement to the other exchanges on which it is listed, and in any event at least 10 minutes prior to its public release (other than to the extent a Recognised Stock Exchange releases the information to the public); and
  - (ii) in the case of every other NZAX Issuer, 10 minutes prior to its public release.

1. Documents will not be accepted by NZX which are too indistinct to be readily copied or transmitted by facsimile in legible form.
2. Documents that will require to be accompanied by a summary before acceptance will include:
  - Preliminary statements released in accordance with rule 10.4;
  - Takeover documents generated in accordance with the requirements of the Takeovers Code;
  - Presentations containing Material Information.
3. An NZAX Issuer that is dual listed should release information to NZX before or at the same time as it releases information to the other exchanges on which it is listed.

10.3.4 An NZAX Issuer may choose to use an embargo when making announcements. If an NZAX Issuer chooses to use an embargo it shall comply with the following conditions:

- (i) release the embargoed announcement to NZX at least 30 minutes prior to its release to any other party, including the media; and
  - (ii) display the times and conditions of the embargo prominently on every page of each release.
- (b) NZX, in consultation with the NZAX Issuer, may choose to



release any information prior to any embargo time if NZX considers that the market should immediately be so informed.

10.3.5 NZX may, following receipt of an announcement, in consultation with the NZAX Issuer, require any amendment, addition or alteration to the announcement, or require the NZAX Issuer to disclose such further Material Information following release of the announcement as NZX determines.

10.3.6 Material not for public release (including draft documents lodged with NZX for approval) and private correspondence with NZX or NZX Regulation Personnel, shall be addressed accordingly and marked in a prominent position with the words "Not For Public Release". Any material destined for NZX Regulation Personnel may be:

- (a) sent by electronic mail to:      [waiversandrulings@nzx.com](mailto:waiversandrulings@nzx.com)
- (b) delivered to:                      NZX Limited's Registered Office
- (c) posted to:                          PO Box 2959, (or DX SP23501)
- (d) telecommunicated to:          Fax:                      (04) 473-3181

As at 1 September 2010, NZX Limited's Registered Office is located at Level 2, NZX Centre, 11 Cable Street, Wellington.

NZX's postal address is PO Box 2959, Wellington 6140.

10.3.7 Information marked "Not for Public Release" may, after reasonable prior notice to the NZAX Issuer, be released by NZX to the market if NZX forms the opinion that that information should have been released to the market by the NZAX Issuer in accordance with the Rules, and advises the NZAX Issuer to that effect.

#### **10.4 Preliminary Announcements**

10.4.1 Each NZAX Issuer shall make an announcement pursuant to NZAX Listing Rule 10.4.2 through NZX for public release, in the manner prescribed by NZAX Listing Rule 10.3 as soon as the Material Information is available, and in any event;

- (a) before the release of each annual report, and not later than 75 days after the end of the financial year to which that report relates; and
- (b) before the release of each half yearly report and not later than 75 days after the end of the financial half year to which that report relates.

10.4.2 Each preliminary announcement, whether for a full year or a half year, shall include the information and otherwise address the

matters specified in the relevant section of Appendix 1.

## **10.5 Annual and Half Yearly Reports**

10.5.1 Subject to Rule 10.5.2 each NZAX Issuer shall within four months of the end of each Issuer's financial years:

- (a) Deliver to NZX electronically, in the format specified by NZX from time to time; and
- (b) Make available to each Quoted Security holder in accordance with Rule 10.5.3,

an annual report. That annual report shall be delivered to NZX before, or at the same time as, it is made available to Quoted Security holders in accordance with Rule 10.5.3, and shall contain all information:

- (c) required by law;
- (d) required in a preliminary announcement by Rule 10.4.2; and
- (e) required by Rules 10.5.5 and 10.5.7.

The financial statements in that annual report shall be audited and shall be accompanied by an audit report in accordance with the requirements of the Financial Reporting Act 1993.

10.5.2 An NZAX Issuer that is a State enterprise (as defined in the State-Owned Enterprises Act 1986) is not required to issue to NZX or its Quoted Security holders an annual report (in accordance with Rule 10.5.1) until that annual report has been provided to the Minister responsible for the State enterprise in accordance with the requirements of the State-Owned Enterprises Act 1986 and laid by that Minister responsible for that State enterprise before the House of Representatives in accordance with the State-Owned Enterprises Act 1986 or published in the New Zealand Gazette under section 17(2A) of the State-Owned Enterprises Act 1986, whichever is the earlier.

10.5.3 Each NZAX Issuer shall issue within four months after the end of the first six months of each financial year of the NZAX Issuer:

- (a) deliver to NZX electronically, in the format specified by NZX from time to time; and
- (b) make available to each Quoted Security holder in accordance with Rule 10.5.4,

a half-yearly report. That half-yearly report shall include the information and otherwise address the matters prescribed by

the relevant section of Appendix 1.

10.5.4 An NZAX Issuer shall make an annual or half-yearly report available to Quoted Security holders as required by Rules 10.5.1 or 10.5.3, by sending to Quoted Security holders either:

- (a) a copy of the annual report or half-yearly report (as the case may be); or
- (b) a notice containing the statements referred to in section 209(3) of the Companies Act 1993 and complying with sections 209A and 209B of the Companies Act 1993.

Provided that for the purposes of Rules 10.5.4 and 10.5.6, sections 209 to 209B of the Companies Act 1993 shall be deemed modified so that:

- (c) references in that section to “shareholders” shall be deemed to be references to member of the relevant Class of Quoted Security holders of that NZAX Issuer; and
- (d) references to “annual report” shall (for the purposes of compliance with Rule 10.5.3) be deemed to be a reference to a half-yearly report; and
- (e) section 209(3)(d) shall not apply to the half-yearly report.

Provided also that an NZAX Issuer will be deemed to have made any half-yearly report available to Quoted Security holders if that NZAX Issuer’s most recent annual notification under section 209(1)(b) of the Companies Act 1993 explicitly stated that it applied to the next half-yearly report under the Rules. Where a half-yearly report is deemed to have been made available in this way, a Quoted Security holder’s election in respect of receipt of the relevant annual report, if any, shall apply in connection with that half-yearly report, except that an election to receive a concise annual report must be treated to include an election to receive the relevant half-yearly report.

10.5.5 The annual report of an NZAX Issuer shall contain:

- (a) the information required to be published by sub-part 3 of part 2 of the Securities Markets Act 1988 and in the case of a company, the information required by section 211 of the Companies Act 1993; and
- (b) the names and holdings of Equity Securities of the holders having the 20 largest holdings of Quoted Equity Securities on the register of the NZAX Issuer as at a date not earlier than 2 months before the date of the publication of the annual report; and

- (c) the Equity Securities in which each Director has a Relevant Interest at the balance date of the current financial year; and
- (d) details of the spread of Quoted Security holders at a date not earlier than 2 months before the date of the publication of the annual report; and
- (e) the current credit rating status (if any) of the NZAX Issuer; and
- (f) a summary of all waivers:
  - (i) granted and published by NZX within; or
  - (ii) relied upon by the NZAX Issuer, in the 12 months before the date of the publication of the annual report, or

a statement that any such waivers have been granted to the NZAX Issuer and an appropriate cross reference to the NZAX Issuer's website where a summary of such waivers are published and will remain published for a period of 12 months following publication of the annual report; and
- (g) details of any exercise of NZX's powers set out in Rule 5.4.2; and
- (h) a statement of any corporate governance policies, practices and processes, adopted or followed by the NZAX Issuer.; and
- (i) details of any Director who has been appointed pursuant to provisions of the Constitution complying with Rule 3.2.4, and the Security holder which appointed that Director.

10.5.6 Where a concise annual report is prepared in relation to the same accounting period as an annual report, that report shall contain:

- (a) the disclosure required by section 209(5) of the Companies Act 1993 (modified in the manner set out in Rule 10.5.4); and
- (b) the information required by Rules 10.5.5(e), 10.5.5(f) and 10.5.5(g).

10.5.7 Any NZAX Issuer which extends its half-yearly reporting period or changes its annual balance date to a later date shall make a report containing such information, and to be released at such time, as NZX shall require in respect of the existing half-yearly reporting period or the period ending on the existing balance

date.

10.5.8 Each NZAX Issuer shall supply to any Advisor or Trading Participant who so requests, free of charge, a copy of any document referred to in Rule 10.4 or 10.5.

## **10.6 Financial Statements**

10.6.1 The financial statements of each NZAX Issuer shall comply with the provisions of the Financial Reporting Act 1993.

10.6.2 NZX may require an NZAX Issuer to provide, in its financial statements or otherwise, information additional to that required by the Financial Reporting Act 1993.

## **10.7 Other Information to be Notified to NZX**

10.7.1 Without limiting the information that is required to be submitted as Material Information under Rule 10.1.1 NZX is to be advised as soon as the information is first available of:

- (a) any proposal to sub-divide or consolidate Securities, or to issue Equity Securities, whether they are to be Quoted or not; or
- (b) any proposal to amend conditions of Quoted Securities; or
- (c) non-confirmation by a meeting, or cancellation, of any proposal already notified to NZX; or
- (d) any change in the Directors, officers, or auditor of an Issuer; or
- (e) any change of address, or phone, telex, or facsimile number, of the registered office or share registry of an Issuer; or
- (f) any proposed change of name of an Issuer; or
- (g) the opening or closing of a branch register; or
- (h) a decision to extend its half-yearly reporting period or to change its annual balance date to a later date and, in any event, must notify such change not less than one month before the end of the existing half-yearly reporting period or not less than one month before the existing annual balance date.
- (i) any credit ratings of any Issuer or guaranteeing entity of an Issuer of Debt Securities.

For the purposes of Rule 10.7.1 the Issuer should advise NZX of

any change to those officers whose relevant interests are recorded in the interests register required to be maintained by the Issuer pursuant to Section 19Z of the Securities Markets Act 1988.

10.7.2 Without limiting any other Rule, every NZAX Issuer shall provide to NZX an electronic copy in the same format, of every notice or communication given to:

- (a) holders of that Issuer's Quoted Securities; and
- (b) any stock exchange other than NZX,

no later than the time at which it is sent to any holders of Quoted Securities or to any other stock exchange.

## 10.8 Disclosure of Relevant Interest in Securities

10.8.1 Every NZAX Issuer shall, upon request by NZX, exercise its powers under sub-part 3 of part 2 of the Securities Markets Act 1988 in respect of such holders of Securities of the Issuer, or other persons, as NZX may specify (either individually or by reference to a Class).

10.8.2 Every NZAX Issuer shall, if so requested by NZX, provide to NZX for public release any information obtained by the Issuer by reason of the exercise by that Issuer of its powers under sub-part 3 of part 2 of the Securities Markets Act 1988 (whether as a result of a request by NZX under Rule 10.8.1 or otherwise).

## 10.9 Announcements by Mining NZAX issuers

10.9.1 In the Rules, unless the context otherwise requires:

**Mining NZAX Issuer** means an NZAX Issuer that is principally engaged in the exploration for or extraction of any mineral, oil or natural gas, and includes an Issuer that holds an interest or interests in any mining tenement where that interest or interests is or are a principal part of the Issuer's business or assets.

**Mining Tenement** includes an exploration licence and any mineral, oil, or natural gas lease or concession.

**Permit** means a permit in terms of the Crown Minerals Act 1991 or a petroleum prospecting licence or petroleum mining licence in terms of the Petroleum Act 1937.

10.9.2 Where an unlisted company or entity is or becomes the operator in a joint venture with an Issuer to investigate or explore a mining tenement, the Issuer shall ensure that the contract

between the parties provides that the operator must disclose immediately to the Issuer any significant discovery of mineralisation or hydrocarbon and, if so required, give to the Issuer a full report on such discovery and information necessary to avoid the establishment of a false market in the Issuer's securities. In addition, the Issuer shall secure the right to make all or part of such report available to NZX.

10.9.3 Where a Mining NZAX Issuer reports on the progress of any geophysical survey, the report shall state:

- (a) the name of the survey; and
- (b) the nature of the survey; and
- (c) the Permit in which the survey is being conducted; and
- (d) the status of the survey.

10.9.4 A Mining NZAX Issuer shall give to NZX within one month after the end of each quarter of a calendar year a report giving all the information required by Appendix 6, and in addition providing full details of production, development and exploration activities (including geophysical surveys) and expenditure incurred thereon. Where there has not been any production, development and/or exploration activities, that fact shall be stated.

## 10.10 HydroCarbon Reports

10.10.1 Hydrocarbon Definitions: In the Rules, unless the context otherwise requires:

<b>Hydrocarbon</b>	means a compound of the elements hydrogen and carbon, in either liquid or gaseous form. Natural gas and petroleum are mixtures of hydrocarbons
<b>Hydrocarbon Reserves</b>	means proved hydrocarbon reserves, probable hydrocarbon reserves or possible hydrocarbon reserves.
<b>Possible Hydrocarbon Reserves</b>	means reserves less well defined by geological and geophysical control than probable hydrocarbon reserves and consist of extensions to the proved and probable hydrocarbon reserves areas where so indicated by geophysical and geological studies. The probability generally

assigned to these reserves would be 25% but may be higher or lower.

**Probable Hydrocarbon Reserves**

means those reserves that may be reasonably assumed to exist because of geophysical or geological indications and drilling done in regions which contain proved hydrocarbon reserves. This category may also include reserves commercially recoverable as a result of the beneficial effects which may be derived from the future institution of some form of pressure maintenance or other secondary recovery methods, or as a result of a more favourable performance of the existing recovery mechanism than that which would be deemed proved at the present time. There is equal risk of there being larger or smaller volumes of reserves resulting.

**Proved Hydrocarbon Reserves**

means those reserves that, to a high degree of certainty, are recoverable, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs. There is relatively little risk associated with these reserves.

10.10.2 Probable hydrocarbon reserves shall only be reported in conjunction with proved hydrocarbon reserves. Possible hydrocarbon reserves shall only be reported in conjunction with proved and probable hydrocarbon reserves.

10.10.3 Any report which relates to an Issuer's hydrocarbon reserves shall be based on and state that it is based on, or be accompanied by, a statement of information compiled by a person engaged in the practice or teaching of geology, geophysics or petroleum engineering who holds a Bachelor Degree (or its equivalent) in geology, geophysics, petroleum engineering or a related discipline and who, in addition, has had at least five years' experience in the practice or the teaching of geology, geophysics or petroleum engineering.

Where that person is:

- (a) not a full-time employee of the reporting Issuer, a report based on information compiled by the person shall not be



released by the reporting Issuer unless the person has consented in writing to the inclusion in that report of matter based on the information so compiled by him in the form and context in which it appears and the report or attached statement so states; or

- (b) a full-time employee of the reporting Issuer, it shall be stated in the report or attached statement that the report accurately reflects the information compiled by the person.

10.10.4 Where a report relates to the potential hydrocarbon reserve state (i.e., from the earliest exploratory investigations to the stage preceding that at which proved hydrocarbon reserves can be estimated), the word “reserves” shall not be used.

10.10.5 In addition to any other requirement to report in the Rules, a Mining Issuer shall provide to NZX the following information on hydrocarbon exploration and assessment during drilling and testing operations weekly (prior to 9.00am on a Business Day):

- (a) The name of the well, the Permit in which it is located, and its position in the Permit with respect to previous wells, known oil or gas fields or towns.
- (b) The time of reporting.
- (c) The progress for the past week.
- (d) Current operation.
- (e) Any results of drillstem tests and other flow tests where hydrocarbons are recovered to surface, in accordance with Rule 10.10.7.
- (f) The participating companies and their beneficial percentage interest in the well.

Disclosure of the Information required by this Rule by an NZAX Issuer participating in the well shall be adequate disclosure on behalf of all the other participants in the well where such other participants are identified.

10.10.6 Where a report relates to results of exploratory investigations which have reached the stage where a hydrocarbon reserve can be estimated, reports which refer to hydrocarbon reserves shall use the expressions for categories of hydrocarbon reserves, as defined in the Rules.

10.10.7 A report shall be issued on the day that:

- (a) a decision to flow test an interval of the well is made, advising of the decision and the depth and gross interval to

be tested; and

- (b) flow test operations commence, advising of such; and
- (c) hydrocarbons are flowing to surface.

Within 24 hours of completion of flow test operations over the test interval, a report shall be issued which includes:

- (d) depth and interval tested; and
- (e) representative sustained flow rate (if achieved); and
- (f) choke size and representative surface flowing pressure (if achieved); and
- (g) summary description of fluids recovered.

### **10.11 Ore and Mineralisation Reports**

10.11.1 Where a report relates to the pre-identified mineral resources stage as defined in Appendix 7, the words “ore”, “reserves” or “resources” shall not be used and in lieu of such words such a report shall refer to “mineralization” or some similar term having no economic connotation.

10.11.2 Reports and statements in the field of mineral exploration and assessment which may be made by an Issuer during the pre-resource mineralisation stage shall include relevant basic data such as the type and method of sampling and the distribution, dimensions, assay results and relative location of all relevant samples. If true dimensions, particularly width or mineralisation, are not stated, the report shall be qualified accordingly.

10.11.3 References to geophysical or geochemical results shall refer only to “anomalies” and not to “mineralization”, “ore”, “reserves”, “resources” or similar terms.

10.11.4 Assay results shall be set out in one of the following three forms considered most suitable by the Issuer’s geologist and/or mining engineer:

- (a) all assay results, with sample widths or size in the case of bulk samples; and
- (b) the weighted average grade of the mineralised zone, indicating clearly how the grade was calculated; and
- (c) (when high values are recorded they must be given in context, with full supporting data.

The type of assay method used shall be stated for all assay

results submitted to NZX.

10.11.5 Where a report relates to results of exploratory investigations which have reached the stage where an identified mineral resource or ore reserves can be estimated with reasonable assurance, reports which refer to identified mineral resources or ore reserves shall use the expression for categories of identified mineral resources or ore reserves, as defined in Appendix 7.

10.11.6 Any report which relates to an Issuer's ore or mineralisation must be based on and state it is based on or be accompanied by a statement signed in the same manner as the report that it is based on, of information compiled by a person who is a competent person, as defined in Appendix 7.

Where the competent person is:

- (a) not a full-time employee of the reporting Issuer, a report based on information compiled by the competent person shall not be released by the reporting Issuer unless the competent person has consented in writing to the inclusion in that report of matter based on the information so compiled by him in the form and context in which it appears and the report or attached statement so states; or
- (b) a full-time employee of the reporting Issuer, it shall be stated in the report or attached statement that the report accurately reflects the information compiled by the competent person.

## NZAX Listing Rules

### 11 Section 11: Transfers and Statements

#### 11.1 Transfer of Securities

- 11.1.1 Subject to the provisions of any legislation, and to Rules 11.1.4 and 11.1.5, no Issuer shall impose, in its Constitution or otherwise, any restriction on the right of a holder of a Quoted Security to transfer that Security, or any restriction upon registration of a properly completed transfer of Quoted Securities.
- 11.1.2 A transfer of Securities in writing that has not been properly completed shall be promptly returned to the person submitting it, for completion, and (subject to Rules 11.1.4 and 11.1.5) shall be registered when the errors or omissions have been rectified.
- 11.1.3 Subject to the provisions of Rule 11.1.5 and of any legislation no Issuer shall:
- (a) require any documentation relating to transfers other than to establish an entitlement to transfer; or
  - (b) require any information relating to the transferee; or
  - (c) impose any restriction on the acceptability of any common form of transfer.
- 11.1.4 An NZAX Issuer may decline to accept or register:
- (a) a transfer of a Security on which the Issuer has a lien; or
  - (b) a transfer of Securities if such registration, together with the registration of any further transfer or transfers then held by the Issuer and awaiting registration, would result in the proposed transferee holding Securities of less than the Minimum Holding; or
- 11.1.5 An NZAX Issuer may, with the prior approval of NZX, incorporate in its Constitution or Trust Deed a provision restricting the issue, acquisition or transfer of Relevant Interests in Equity Securities.

NZX recognises that there are situations in which a restriction on the ownership of the Equity Securities of an Issuer may be appropriate. In addition, NZX wishes to facilitate the Listing of entities (such as co-operative companies) which may have membership or security ownership restrictions and have not previously availed themselves of the services offered by NZX. NZX will generally exercise its discretion to permit a restriction to be introduced where:

- (a) the Issuer has some right, licence, or property which forms a significant part of the business of the Issuer (such as airline landing rights or fishing quota) which could reasonably be expected to be adversely affected by the aggregation of the holding of Equity Securities by a person or group of persons;
- (b) the restriction is desirable, expedient or necessary in connection with giving effect to a statutory requirement;
- (c) there are other reasons which NZX considers justify the inclusion of a restriction.

NZX will as a general rule only exercise its discretion under Rule 11.1.5 before the time of the initial Listing of an Issuer or, in respect of a Class of Securities of an Issuer, before the time of the initial Quotation of that Class. NZX's view is that any restriction on the ownership of Equity Securities of an Issuer should be clear at the time of Listing or Quotation, so that investors can make an informed investment decision before they acquire Equity Securities of the Issuer through NZX.

11.1.6 Except as expressly permitted by the Rules, no benefit or right attaching to a Security shall be cancelled or varied by reason only of a transfer of that Security.

## 11.2 Statements

11.2.1 Every Issuer shall issue to each holder of Quoted Securities of that Issuer on request, a statement that sets out:

- (a) the Class of Securities held by that holder, the total number of Securities of that Class issued by the Issuer, and the number of Securities of that Class held by the holder; and
- (b) (the register on which the holder's Securities are held, if other than the principal register; and
- (c) (the rights, privileges, conditions and limitations, including restrictions on transfer (if any) attaching to the Securities held by the holder; and
- (d) the relationship of the Securities held by the holder to other Classes of Quoted Securities; and
- (e) the holder's number, CSN and the address of the holder; and
- (f) the postal address of the registrar of the Securities.

Rule 11.2.1 requires that further issues of Equity Securities which may eventually become part of another Class (for example, upon payment of calls in full, or elapse of a period of non-entitlement to a dividend) be clearly identified as distinct from that other Class. Statements must therefore carry the appropriate description e.g., “1994 Bonus Issue”, “1993 Cash Issue”. Statements provided pursuant to subsequent transfers of such Securities need contain only an endorsement of the relevant dividend qualification until the Securities eventually rank pari passu with all others of the Class they are to become.

- 11.2.2 An NZAX Issuer shall not be obliged to provide a holder with the Statement required by Rule 11.2.1 if:
- (a) such a Statement has been provided within the previous six months; and
  - (b) the holder has not acquired or disposed of Securities of the relevant Class since a previous Statement required by Rule 11.2.1 or Rule 11.2.3 was provided; and
  - (c) the rights attached to Securities of the relevant Class have not been altered since the previous Statement required by Rule 11.2.1 was provided.
- 11.2.3 Every NZAX Issuer shall issue a Statement including the details in Rule 11.2.4 to each holder of Securities who obtains or disposes of Securities upon an issue or a transfer within five Business Days after the date of allotment of those Securities, or the date of registration of that transfer.
- 11.2.4 Transfer Details in Statement: Where the Statement required by Rule 11.2.3 is issued following a transfer, the Statement shall include the following information:
- (a) all the information specified in paragraphs (a), (b), (e) and (f) of Rule 11.2.1, except that the total number of Securities of that Class issued by the Issuer need not be shown; and
  - (b) (the number of Securities transferred (to or from the holder) in each transfer since the last Statement; and
  - (c) where the transfer is submitted by a Participant, the subscriber reference provided in that transfer.

### **11.3 Registration**

- 11.3.1 If an NZAX Issuer appoints a registrar to keep any register of Securities, that Issuer shall ensure that its registrar complies with the requirements of this section 11, and references in this section 11 to an Issuer shall for this purpose include its registrar.

- 11.3.2 Every Issuer shall ensure that its registry functions are performed promptly and properly and shall indemnify Participants and persons having dealings with its registrar against any losses, costs or expenses incurred as a consequence of any failure in such performance of registry functions which is not fairly attributable to the fault of the person claiming indemnity (or his or her agent).
- 11.3.3 Subject to the right of any NZAX Issuer in terms of Rule 11.1, all properly executed and documented written Security transfers shall be registered within two Business Days of their receipt by the Issuer.

#### 11.4 Legal Title Transfer

11.4.1 Definitions: For the purposes of this Rule 11.4:

<b>Client Inward Transfer</b>	has the meaning set out in the Depository Rules.
<b>Client Outward Transfer</b>	has the meaning set out in the Depository Rules.

11.4.2 Every Issuer with Securities Quoted, or that Issuer's registry shall:

- (a) connect its register and maintain its registry connection to the Depository System, as specified from time to time by NZX, and operate it on all Business Days between the hours of 8.00 am and 6.00 pm;
- (b) comply with any time limits for the processing of electronic messages or documentation which NZX may from time to time specify in relation to the operation of the Depository System;
- (c) not delay the registration of any transfers, except in accordance with paragraph (l) in the Appendix to the Depository Rules; and
- (d) issue holders of Quoted Securities who are not Participants directly connected to the Depository System with an Authorisation Code or FIN.

11.4.3 In any case where a Client Inward Transfer is entered by a person in any circumstance where that person does not have the proper authority of the holder of the Securities being transferred to execute the transfer, the Issuer shall be obliged to immediately reinstate or otherwise compensate the dispossessed Security holder:

- (a) Provided that this obligation on the part of the Issuer shall not affect or prejudice any right the Issuer may have against any other person.

- 11.4.4 A Client Outward Transfer to a bona fide purchaser for value shall not in any circumstance be cancelled or reversed by an Issuer.
- 11.4.5 Each Participant who completes a Client Inward Transfer will be deemed to warrant to the Issuer that the transfer is valid and has been authorised by the registered holder of the Securities being transferred and to indemnify the Issuer for any loss suffered by the Issuer due to a breach by the Participant of that warranty, without prejudice to any right of the Participant under Rule 11.3.2.
- 11.4.6 The warranty contained in Rule 11.4.5 will give rise to a cause of action by an Issuer against the Participant in question:
- Provided that this obligation on the part of the Participant shall not affect or prejudice any other right the Participant may have.
- 11.4.7 The requirement in this Rule 11.4 for an Issuer to connect and operate a registry which is connected to the Depository System shall only apply as long as the Rules include the provision of Rules 11.4.3, 11.4.4, 11.4.5, 11.4.6, and this Rule.
- 11.4.8 NZX may not exercise its right of waiver under Rule 1.7 in respect of compliance with Rules 11.4.2(a), 11.4.2(d), 11.4.3, 11.4.4, 11.4.5, 11.4.6 or this Rule 11.4.8.